

# **ASSESSING THE SUSTAINABILITY OF AN INDEPENDENT POWER PRODUCER'S SOCIAL INVESTMENT IN A COMMUNITY: A CASE STUDY OF SCATEC SOLAR**

by  
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## ABSTRACT

The launch of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in South Africa in August 2011 has meant a positive move towards reaching green economy ideals and has played an important role in realising economic development in rural areas in the country. The purpose of the programme is twofold: to move away from coal-dominated electricity production, thereby reducing carbon emissions, and to contribute to economic development in South Africa.

In order to align with the economic development agenda of the government and the parameters of the Broad-Based Black Economic Empowerment (BBBEE) Act (No. 53 of 2003), the REIPPPP has set out parameters within which independent power producers (IPPs) can attain economic criteria through development projects. These criteria include job creation, local ownership, enterprise development (ED), and socio-economic development (SED).

This study focuses on the SED component of the REIPPPP and its participatory and sustainable application by IPPs. The case study utilised is SCATEC SOLAR, a Norwegian solar producer, and their Linde solar plant in the Northern Cape of South Africa. The beneficiary community is Hanover, which falls within the 50 km radius of the plant.

The study is based on the premise that, if the beneficiary community participates authentically in the development process of the REIPPPP and are empowered and become self-reliant, the programmes have a greater chance of achieving sustainability. This study therefore argues for authentic and empowering community participation through improved methodology by change agents and a greater focus on participation as a means to sustainability.

The IAP2 public participation model regarding community participation, as discussed by Theron, Ceaser and Davids (2007:8), can play an important role in the implementation of the SED components of the REIPPPP; and using this level of analysis it is clear that the participation is still at a tokenism level and, although set out with the best intentions, it has not reached an empowering stage. This study adopted a

qualitative research method and an evaluative research design, aiming to answer whether the development programme has been implemented sustainably in a participatory manner.

Government, development change agents, IPPs and beneficiary communities are all responsible for streamlining the process of community development requirements as set out in the REIPPPP, and for ensuring that communities and their indigenous knowledge systems are valued and utilised. This study reveals that SCATEC SOLAR has not implemented their socio-economic investment in Hanover in an authentic participatory and sustainable manner. The study does however highlight the fact that the initial participatory issues can be rectified and makes recommendations which can be utilised by SCATEC SOLAR and other IPPs in order to ensure the ideals of participatory development for rural communities can be achieved.

The study also recommends that further studies be conducted on SCATEC SOLAR's SED investment after a longer period of implementation has been achieved. This research can assist IPPs in becoming part of the South African participatory agenda already expressed through the Constitution (1996), the National Development Plan (2013) and other legislation.

## OPSOMMING

Die bekendstelling van die “*Renewable Energy Independent Power Producer*” program (REIPPPP) in Suid-Afrika, in Augustus 2011, het gelei tot 'n positiewe stap in die rigting van die bereiking van groen ekonomie ideale en het 'n belangrike rol gespeel in die verwesenliking van die ekonomiese ontwikkeling in die landelike gebiede, in die land gespeel. Die doel van die program is tweevoudig, om weg te beweeg van steenkool afhanklikheid in die opwekking van elektrisiteit en sodoende koolstofvrystellings te verminder en by te dra tot ekonomiese ontwikkeling in Suid-Afrika.

Om in te pas by die planne van ekonomiese ontwikkeling van die regering en in lyn met die riglyne van die Breedgebaseerde Swart Ekonomiese Bemagtiging (BBSEB) Wet, het die REIPPPP riglyne uiteengesit waarbinne Onafhanklike Krag Produsente (IPP's) ekonomiese kriteria kan bereik deur middel van ontwikkelingsprojekte. Hierdie kriteria sluit in werkskepping, plaaslike eienaarskap, ondernemingsontwikkeling (ED), en sosio-ekonomiese ontwikkeling (SED).

Hierdie studie fokus op die SED komponent van die REIPPPP en sy deelnemende en volhoubare toepassing deur IPP's. Die gevallestudie gebruik SCATEC SOLAR, 'n Noorweegse son produsent, en hul Linde solar aanleg in die Noord-Kaap van Suid-Afrika. Die begunstigde gemeenskap is Hanover, wat binne die 50 km radius van die aanleg val.

Die studie is gebaseer op die veronderstelling dat indien die begunstigde gemeenskap in egtheid openheid deelneem in die ontwikkelingsproses van die REIPPPP, en om die begunstigde gemeenskap te bemagtig om selfstandig te word, het die programme 'n groter kans tot sukses. Hierdie studie argumenteer dus vir openheid en die bemagtiging van gemeenskaps-deelname deur middel van verbeterde metodes deur ontwikkelingsagente vir verandering en 'n groter fokus op deelname as 'n manier om volhoubaarheid te beruik.

Die IAP2 openbare deelname model met betrekking tot gemeenskapsdeelname soos bespreek deur Theron, Caesar en Davids (2007:8) kan 'n belangrike rol in die implementering van die SED komponente van die REIPPPP speel; en met die gebruik

van hierdie vlak van ontleding, is dit duidelik dat deelname nog op tokenisme neerkom. Hoewel met die beste bedoelings het dit nog nie 'n bemagtigende stadium bereik nie. Hierdie studie neem 'n kwalitatiewe navorsingsmetode en 'n evaluerende ontwerp aan, met die oog om te bepaal of die ontwikkelingsprogram volhoubaar is en op 'n deelnemende wyse geïmplementeer is.

Hierdie studie toon dat SCATEC SOLAR nie hul sosio-ekonomiese belegging in Hanover op 'n outentieke deelnemende en volhoubare wyse geïmplementeer het nie. Die studie beklemtoon egter die feit dat die aanvanklike kwessies rondom deelname reggestel kan word en maak aanbevelings wat deur SCATEC SOLAR en ander *IPPs* gebruik kan word om te verseker dat die ideale van deelnemende ontwikkeling vir landelike gemeenskappe bereik word.

Die studie beveel ook aan dat verdere studies oor SCATEC SOLAR se belegging in sosio-ekonomiese ontwikkeling (*SED*) onderneem word wanneer 'n langer implementeringstydperk verstryk het. Hierdie navorsing kan *IPPs* help om deel te word van die Suid-Afrikaanse deelnemende agenda soos reeds deur die Grondwet (1996), die Nasionale Ontwikkelingsplan (2013) en ander wetgewing aangedui is.

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# TABLE OF CONTENTS

Declaration.....	ii
Abstract.....	iii
Opsomming.....	v
Acknowledgements.....	vii
Table of Contents.....	viii
List of Abbreviations .....	xii
List of Figures .....	xiv
List of Tables .....	xv
List of Addendums.....	xvi
Chapter 1: Overview of the study .....	1
1.1 Introduction.....	1
1.2 Motivation.....	4
1.3 Research objectives.....	6
1.4 Research problem .....	7
1.5 Hypothesis .....	8
1.6 Research design .....	9
1.7 Research ethics .....	11
1.8 Research methodology.....	11
1.9 Structure of the study .....	13
1.10 Definition of key concepts .....	15
1.10.1 Community Participation .....	15
1.10.2 Empowerment .....	16
1.10.3 Sustainable Development.....	17
1.10.4 Integrated Rural Development.....	17



1.10.5 Change Agent.....	18
1.10.6 Renewable Energy .....	19
1.11. summary.....	20
Chapter 2: The participatory community development debate.....	21
2.1 Introduction.....	21
2.2 Contextualising sustainable community and participatory development .....	24
2.2.1 Theories of Participatory Development .....	24
2.3 International platforms supporting participatory development .....	38
2.3.1 The Manila Declaration (1989).....	38
2.3.2 African Charter on Values and Principles of Public Service and Administration (1990).....	39
2.3.3 International Association for Public Participation (IAP2) (1997) .....	39
2.4 The South African regulatory perspective on participation.....	40
2.4.1 Constitution of the Republic of South Africa (1996).....	42
2.4.2 White Paper on Transforming Public Service Delivery (1997).....	42
2.4.3 White Paper on Local Government 1998 (117 of 1998a).....	43
2.4.4 The Municipal Systems Act (32 of 2000).....	43
2.4.5 National Development Plan 2030 (2013) .....	45
2.5 Summary .....	47
Chapter 3: Corporate responsibility and sustainability in south africa .....	49
3.1 Introduction.....	49
3.2 Corporate social investment.....	50
3.3 Community development trusts .....	52
3.4 Sustainable development goals .....	55
3.5 Summary .....	58
Chapter 4: the REIPPPP in the participatory development and sustainability debate.....	60
4.1 Introduction.....	60

4.2 Locating the REIPPPP within the sustainable community development context .	63
4.3 The REIPPPP and participatory development .....	68
4.3.1 Dilemma of Change Agents in Techno-Social Procurement Programmes.	78
4.4 Summary .....	81
Chapter 5: Case Study: Hanover, Northern Cape .....	83
5.1 Introduction.....	83
5.2 Hanover, Northern Cape .....	84
5.2.1 Emthanjeni Local Municipality Integrated Development Plan .....	86
5.3 Findings .....	89
5.3.1 Data Gathering and Analysis .....	89
5.3.2 The Community Intervention and Socio-Economic Strategy .....	90
5.4 Analysis .....	93
5.4.1 Strengths of the SED Plan.....	99
5.4.2 Weaknesses of the SED Plan .....	101
5.4.3 Community Development Trust .....	105
5.4.4 Engaging with Local Government .....	107
5.5 Summary .....	109
Chapter 6: Recommendations and conclusion .....	111
6.1 Introduction.....	111
6.2 Recommendations.....	112
6.2.1 Collaboration.....	112
6.2.2 Communication.....	114
6.2.3 Improved Methodologies for Community Engagement and Innovation ..	114
6.2.4. Monitoring and Evaluation .....	115
6.2.5 Government-Led CDT Lessons-Learnt Workshops and Training.....	116
6.2.6 Recommendation for Further Training and Capacity Building, and Future Research Priorities .....	117

6.3 Conclusion .....	118
References .....	121
Annexure A: Interview with Government .....	136
Annexure B: Interview with SCATEC SOLAR .....	138
Annexure C: Interview with Knowledge Pele: Research advisory and development firm to the renewable energy industry .....	140
Annexure D: Interview with Rand Merchant Bank: Project financiers .....	142
Annexure E: Example of community assessment questions used by Scatec Solar	143
Annexure F: Sustainable Development Goals .....	144
Annexure G: Hanover Community Assessment Report prepared by the development specialist or change agent for SCATEC SOLAR .....	146

## LIST OF ABBREVIATIONS

ANC:	African National Congress
AU:	African Union
BBBEE:	Broad-Based Black Economic Empowerment
CDRA:	Community Development Resource Association
CDT:	Community Development Trust(s)
CSI:	Corporate Social Investment
CSIR:	Council for Scientific and Industrial Research
DCF:	Development Coordination Forum
DoE:	Department of Energy
ED:	Enterprise Development
Eskom:	Electricity Supply Commission
HDI:	Human Development Index
IA:	Implementation Agreement
IAP2:	International Association for Public Participation
IDC:	Industrial Development Corporation
IDP:	Integrated Development Plan
IKS:	Indigenous Knowledge System(s)
ILO:	International Labour Organisation
IPP:	Independent Power Producer
LED:	Local Economic Development

LTMS:	Long Term Mitigation Scenarios
NDP:	National Development Plan
NPO:	Non-Profit Organisation
PLA:	Participatory Learning and Action
PMT:	Project Management Team
PPPs:	Public-Private Partnerships
PRA:	Participatory Rural Appraisal
REIPPPP:	Renewable Energy Independent Power Producer Procurement Programme
RFP:	Request for Proposal
SDGs:	Sustainable Development Goals
SED:	Socio-Economic Development
SMME:	Small, Medium and Micro-sized Enterprises
WPLG:	White Paper on Local Government

## LIST OF FIGURES

Figure 1.1: Hanover in the Northern Cape.....	5
Figure 1.2: Mind map for this study .....	13
Figure 1.3: Study outline.....	15
Figure 2.1: Arnstein's ladder of participation (1969).....	27
Figure 2.2: Active citizenship as a vertical (two-way) relationship .....	27
Figure 2.3: Arnstein's Typologies (1969) .....	28
Figure 4.1: Renewable energy project sites in South Africa .....	62
Figure 4.2: Overview of the REIPPPP economic development requirements.....	66
Figure 4.3: Local economic development spend, 2013 .....	69
Figure 4.4: Stakeholders directly involved in a REIPPPP project.....	74
Figure 5.1: Hanover in relation to the larger cities of Kimberley and Bloemfontein..	84
Figure 5.2: Brown's society-project management partnership .....	90
Figure 5.3: SCATEC SOLAR 20-year SED implementation plan (2012-2034).....	93

## **LIST OF TABLES**

Table 5.1: Participation strategies based on IAP2	94
Table 5.2: Participation as a Means vs. Participation as an End	100

## **LIST OF ADDENDUMS**

- A. Interview with Government
- B. Interview with SCATEC
- C. Interview with Knowledge Pele: Research advisory and development firm to the renewable energy industry
- D. Interview with Rand Merchant Bank: Project financiers
- E. Example of community assessment questions used
- F. Sustainable Development Goals
- G. Hanover Community Assessment Report prepared by the Development Specialist or Change Agent for SCATEC SOLAR



# CHAPTER 1: OVERVIEW OF THE STUDY

## 1.1 INTRODUCTION

South Africa has experienced increasing problems in meeting the expanding energy demands of its industrial development and growing population. In 2008 the country started rolling blackouts, which has had a crippling effect on the economy (Ting, 2015:89; Tait, 2012:10; Edkins, Marquard & Winkler, 2010:1). At the time, the Electricity Supply Commission of South Africa (Eskom) stated that the scheduled blackouts were required to prevent the national grid from crashing, as its reserve capacity was about half of the 15 per cent that Eskom considers a safe reserve (De la Rue du Can, et al., 2013:8; Hlongwane, 2012). Traditionally, the South African economy has been reliant on coal for energy production, from where it derives over 90 per cent of its electricity (Edkins, et al., 2010:1; Fakir & Gulati, 2012). This method is unsustainable and taxing on the environment.

Government has attempted to mitigate these energy constraints and introduce more environmentally friendly means to meet the demand. These can be found in the Long Term Mitigation Scenarios, which explore the options for South Africa's long-term climate change mitigation (Scholtz, Gulati & Fakir, in Mytelka, Msimang & Perrot, 2015:54; Edkins, et al., 2010; Winkler, 2006:1-6).

One of the most innovative mechanisms that government has established in order to meet the demands of climate change has been to introduce renewable energy into the South African markets by developing the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). This national energy programme, launched by the Department of Energy in August 2011 as a competitive bidding process, was put in place to elicit significant growth in the economy and investments from international renewable energy companies (Tait, 2012:9).

The REIPPPP model aims to increase the growth of the renewable energy industry in South Africa and is intended to serve two main purposes. Firstly, it is intended to increase energy security in the country through the procurement of additional electricity generating capacity and, secondly, to stimulate economic development through various

criteria that have to be met by the power producers (WWF-SA, 2015:15; Pretorius, 2011).

As part of the REIPPPP, Independent Power Producers (IPPs) are required to bid in various bidding rounds to be chosen as the preferred supplier. IPPs are judged on two broad components. The first is the price of producing the technology, and the second is their contribution towards the local development of communities surrounding their operations. The local community development requirements originate from Broad-Based Black Economic Empowerment (BBBEE) related criteria such as ownership, management control, preferential procurement and enterprise development, socio-economic development, and local content such as manufacturing (Tait, Wlokas & Garside, 2013:10). If the IPP is awarded the winning bidder status, they enter into a contract with the Department of Energy (DoE) according to the terms of an implementation agreement. This contract includes evidence that the IPP has assessed the socio-economic needs of the communities surrounding its operations and developed local community development strategies that can address these needs (Wlokas, Boyd & Andolfi, 2012:46; Tait, et al., 2013:7).

There has been criticism of the local community development requirements of the IPPs during the bidding process, including the onerous nature of the requirement, the lack of expertise in social interventions of the IPP developers – who are mostly engineers and technicians – the time constraints within which to produce these development plans, and the lack of guidance from government on how to structure these type of programs (Eberhard, Kolker & Leigland, 2014). This study will argue that the local community development requirements (Swanepoel & De Beer, 2011) are a definitive way in which IPPs can leave a lasting footprint in the rural communities surrounding their operations, and that this can be done by empowering communities through participatory engagement (Theron & Mchunu, 2014). An important element of participatory engagement is the beneficiary becoming the “co-producers” of their own development, and thereby actively participating from conception through to implementation of the investment (Brandson & Pestoff, 2006:496). Cooke and Kothari (2001:18), describe the principle behind a co-produced participatory process as follows: “... local principles are identified and prioritised by villagers [community], workable solutions found (a joint process) and implementation regimes agreed and negotiated between project staff and members of communities.”

In addition, the study will argue that, although the IPPs are contractually obligated by the implementation agreement to draw up these development plans that may result in compliance-driven minimum efforts, the opportunity does exist to draft and conduct the implementation of these plans sustainably. De Beer and Swanepoel (1998:5-6) explain that community development has initially entailed top-down approaches that maintained an “outsiders” perspective on development with little to no consideration for self-sustaining, community-owned development at grassroots. This lack of participatory development has limitations on achieving sustainable community development (Cornwall & Coelho, 2007).

The opportunity exists for IPPs to consider the sustainability of their socio-economic development (SED) programmes as opposed to engaging in short-term, less impactful, quick-win engagements. Sustainable development is defined as “... development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations World Commission on Environment Development (UNWCED), 1987). At this stage of the programme, the monitoring and evaluation framework of the DoE is focused on reporting and not necessarily the value created for the communities in question. As defined by Bryant and White in Theron (2008:71):

*“Monitoring involves the collection of information about the project while it is in progress. The emphasis is on continual feedback about the ways in which resources are used and the manner in which implementation is being conducted. These data are constantly fed back to those people involved in the project so that immediate changes and adjustments can be made.”*

The dual risk for the REIPPPP is that expectations are placed on project developers who are not familiar with the methods of bringing about the social requirements of the programme; and, secondly, that IPPs may choose to engage with communities for compliance purposes or in order to win bids and not for the purpose of sustainable development. The risk of compliance-driven motivation is that community engagement is not authentic and involves mere “consultation” or “involvement” (De Beer, 2000:271; Theron & Mchunu, 2014:111-128). In this way the “local knowledge”

investigated by the change agent is often shaped and directed by the project staff and not the local community itself (Cooke & Kothari, 2001:19).

Once an IPP has been chosen as the preferred supplier it enters into a twenty-year contract with the DoE to operate in South Africa. Consequently, this gives them the opportunity to embark on meaningful, sustainable projects in rural communities, where the renewable energy projects are located. The community development requirements provide various opportunities to give back to communities, including through co-production, ownership deals, direct manufacturing investment, enterprise development or other socio-economic related initiatives (Swanepoel & De Beer, 2011). Authentic participation in community development also provides the opportunity for inclusiveness, improved social learning, collaboration and power sharing (Martin, 2014:50). It is the socio-economic development plans of the IPPs that this study is investigating and in particular that of SCATEC SOLAR.

SCATEC SOLAR is a Norwegian independent power producer with a vast number of solar projects operating worldwide. SCATEC develops, constructs, owns and operates utility-scale photovoltaic solar power plants. The company entered the South African market in 2010 and has three plants in operation, which it will run for the next twenty-year period. The focus of this study is on the Linde solar plant, in the Northern Cape, which has selected the town of Hanover as its beneficiary. The Linde solar plant, a 40 MW large-scale photovoltaic plant, came into production during the second round of the REIPPPP and was the first plant to be connected to the grid at that stage. Construction of the plant began in June 2013 and it became operational in July 2014. The plant has the potential to provide electricity to 20 000 households.

## **1.2 MOTIVATION**

Rural communities experience a lack of job-intensive industry, usually due to their isolation from larger towns. The resultant features of these types of isolated communities are generally poor economic activity leading to high levels of unemployment, high levels of dependence on government grants, low educational attainment, and high levels of alcohol abuse (Chambers, 1995:188-189). These socio-economic problems are especially evident in the small towns of the rural Northern Cape.



**Figure 1.1: Hanover in the Northern Cape**

**Source:** Authors own, from [http://www.places.co.za/maps/northern\\_cape\\_map.html](http://www.places.co.za/maps/northern_cape_map.html).

With the increase in renewable energy activity in the Northern Cape since the onset of the REIPPPP programme in 2011, opportunities in these towns have increased. These opportunities include temporary employment for workers from the rural towns surrounding the operations during construction phase, the amount of funding available for socio-economic and enterprise development, and the prospect of ownership usually in the form of community development trusts.

Through the economic requirements set out by the DoE, renewable energy companies have obligations to these communities over the duration of their operation, which can be for up to 20 years. The extended length of this operating period provides an opportunity for well thought out, strategic, and impactful social investment, which can take into consideration participatory community development elements within an integrated rural development context.

Theron and Mchunu (2014:111-128) explain that participation in development gained popularity as a result of increased demand for “involving” stakeholders in development interventions. The authors further make reference to the South African circumstance

stating that, “The international rationale for the promotion of public participation and partnerships [such as] integrated development planning (IDP), public-private partnerships (PPPs) and local economic development (LED) ... rests on the belief that, if the public participate in development programmes, then these programmes will be seen as legitimate”.

### **1.3 RESEARCH OBJECTIVES**

The objectives of this study are centred on sustainability and participation, and aim to understand whether SCATEC SOLAR have considered issues of participatory development in an aim to achieve sustainability with regard to their REIPPPP application.

Burkey (1993:56-60) confirms that, “people’s participation in development activities should be seen not only as a means to an end, but an end in itself. However, once a successful participatory development process is initiated, it should become a continuous process with no visible end to it. The only thing that should end is the intervention of the development workers who should withdraw as soon as the people themselves can maintain the development process on the basis of their own initiatives”. In terms of SCATEC SOLAR, the IPP being evaluated in this study, the company chose to procure the services of a development specialist or change agent to develop their local community plans.

The objectives of this study are therefore based on participation and are inter-related. They include:

- To assess how the local community development requirements of the REIPPPP have been developed to address issues of poverty and sustainable development.
- To evaluate community participation and engagement in the SED programmes initiated by SCATEC.
- To determine the extent of community ownership in the community’s own development programmes.

Derived from these objectives, the study will ask how independent power producers can contribute to sustainable rural development in South Africa.

#### **1.4 RESEARCH PROBLEM**

According to Brynard and Hanekom (1997:15), a problem statement is important as it not only guides but also focuses the study to be undertaken. By defining the problem statement, the researcher is able to describe the underlying problem more accurately. This study is based on the unique aspect of the REIPPPP in terms of its local community development requirements and the opportunity available to translate this requirement into sustainable development for rural communities.

The Centre for Energy Research at UCT has commented on the challenging position in which IPPs are placed when it comes to meeting community development requirements, highlighting the fact that they are project developers and not experts in community development. Tait, et al. (2013:4) have stated that renewable energy companies face a “... significant challenge with community engagement processes”. However, as indicated in the first request for proposals (RFP) by the DoE, government considers the REIPPPP as being “... inherently excellent for achieving positive socio-economic outcomes” (RSA, 2011:11).

In addition, Meyer and Theron (2000:2) state that current community participation is often done in an ad-hoc manner and that it is often unstructured and uncoordinated. This study will not only look at the manner in which the local community development plans were developed but also the limitations and constraints of community participation in the South African rural context. Davids (2005a:28) states that participation can be time-consuming and place all parties involved under undue pressure. In the case of this study, these parties include not only the IPP, but also all municipal officials and development partners.

Cleaver, in Cooke and Kothari (2001:36-55), takes the difficulty of community participation one step further in the critique, *Participation: The New Tyranny*, in which they discuss the theory of participation versus the reality of its practical application. They further unpack the inherent power dynamics that are often entrenched in communities, which are further discussed in this study.



Furthermore, IPPs, through the nature of their operations, are geographically positioned in and around rural communities, which often do not attract investment from other industries. This is especially true for solar producers situated in the Northern Cape. Renewable energy investment in communities can potentially be seen as an opportunity for sustainable rural development in South Africa. The prospect that is presented to renewable energy developers would be to structure the local community development process in such a manner that it maximises the benefit for communities and contributes to sustainable development, but also not to create the expectation that they can be the panacea for all rural development problems.

According to Babbie and Mouton (2015:78), a good research problem is one that shows a clear indication of the purpose of the research and also the unit of analysis. In other words, the research questions provide a mind-map for data collection and a direction for solving the problem (Brynard, Hanekom & Brynard, 2014:11). In this light, and based on the background and objectives of this study, the following research questions have been formulated (Mouton, 2001:53):

- Has the REIPPPP considered the local community development aspects of the programme in compliance or development impact terms?
- What are the key issues surrounding community participation when engaging in these techno-social industries?
- How have the issues of local ownership been addressed by the REIPPPP and are they effective?

## **1.5 HYPOTHESIS**

Bless and Higson-Smith, in Brynard and Hanekom (1997:23), define a hypothesis as, “... a suggested, preliminary, yet specific answer to a problem, which has to be tested empirically before it can be accepted as a concrete answer and be incorporated into a theory”.

They further explain that the hypothesis can be understood as the relationship between two or more variables. De Wet, et al. (1981:82) describe that it should be possible to



test the relationship between these two variables. The following hypothesis is presented for this study:

*Sustainable integrated rural development can be achieved through participatory community investment by renewable energy companies.*

The variable in this case is the achievement of sustainable integrated rural development by means of participatory research methods. By adhering to practices of participatory community development, it is assumed that the type of development that the IPPs undertake in communities could be more long term and more impactful.

Dauids' (2005a:27) emphasises that community participation can be both instrumentalist and empowering as it can bring about the following circumstances:

- Community participation can promote ownership of governance and development initiatives. This can help strengthen local democracy and sustainable development.
- Marginalised groups, such as women and youth, can influence the outputs and outcomes of local government and development structures through participation opportunities.
- At a community organisation level community participation can lead to capacity building.

## **1.6 RESEARCH DESIGN**

The research design is essentially the “blueprint” of the envisaged study and focuses on the end product (Babbie & Mouton, 2015:75; Mouton, 2001:55). Mouton (2001:49-57) states that the research design addresses the key question of what type of study needs to be conducted in order to answer the research problem or questions. He elaborates by stating that different studies are classified according to what questions they are able to answer. The study to be undertaken can be distinguished as an empirical study that will

utilise both primary data and an analysis of secondary sources of data (Babbie & Mouton, 2015:76).

Nieuwenhuis (2011:70) defines a research design as, “a plan or strategy which moves from the underlying philosophical assumptions to specifying the selection of respondents, data gathering techniques, and data analysis to be done”. The REIPPPP was officially introduced in 2011, making it five years in operation to-date. The research design is structured as an impact assessment, which will focus on conceptualisation of the intervention and determine whether it has been implemented properly. As the IPPs have signed a twenty-year operating contract with the DoE it is not possible to determine the outcomes of their enterprise and socio-economic development investments at this stage.

The implemented programmes referred to above will be measured against their degree of participation and their potential to realise sustainability. This will be determined by the initial assessments done by the IPP against the needs of the community; the longevity of the programmes and any initial successes; and the level of community participation in the initiation, development and on-going implementation of the SED programmes. To substantiate the community participation aspect, a literature study was undertaken on the principles of participatory research.

Following a discussion on the principles of participatory research, the additional elements of the literature study will include an analysis of the various policies that inform the development and growth of renewable energy technologies in the country, and the ability to ensure sustainable community development in the techno-social field. Furthermore, the legislature that underpins the economic participation and local content development of previously disadvantaged groups will be assessed to further enrich the context.

In order to illuminate the type of projects pursued by IPPs in rural areas, and to remain within the time constraints of conducting this study, the study will focus on the town of Hanover in the Emthanjeni Local Municipality in the Northern Cape as a case study.

## **1.7 RESEARCH ETHICS**

Brynard and Hanekom (1997:95) emphasise the importance of objectivity by stating that, “The researcher is obliged to adhere to the guiding principles of objectivity and integrity on his or her pursuit of the truth.” The researcher has interacted with Hanover community members and was privy to the initiation of community engagement by the IPP. The solar energy producer had already begun making a SED contribution to programmes in this local community and engaged the researcher in assisting with the initial strategy development.

The advantage of the participation of the researcher at this initial phase was the ability to assess the socio-economic development plans at its onset; however, the limitations include the fact that objective participatory observation may have its constraints (Brynard & Hanekom, 1997:95). In order to minimise the negative impact of this kind of observation, the researcher will ensure that all findings are reported accurately and not misinterpreted. In addition, any professional judgements will be declared in the relevant sections (Mouton, 2001:240).

## **1.8 RESEARCH METHODOLOGY**

In research studies there are two distinct stages that transition the research question or hypothesis to data collection. These are the conceptualisation and the operationalisation. During the conceptualisation phase, the theoretical framework is unpacked in a discussion of different theories, models and concepts relating to the research. The literature review integrates up-to-date book references, journal articles, completed theses, relevant government acts and white papers, and research reports. These were sourced from SABINET, the South African Nexus Database System and Google Scholar. In addition, a library search for books and journals was also conducted with the assistance of the library staff. The conceptualisation is followed by the operationalisation phase in the form of empirical research, which constitutes the formation of measuring instruments for data collection. The collection and analysis of the data are then formed to support the theoretical body of knowledge (Mouton, 2001:113).

Babbie and Mouton (2015:75) state that the research methodology is the type of tools and procedures that will be utilised in the process of the research. Brynard and Hanekom (1997:25) indicate that research methodology can also be termed the strategy of research as it focuses on the methods of data collection. The researcher will be utilising deductive reasoning by beginning with an understanding of the theoretical underpinnings of the study and then proceeding with the specific case study. The study will utilise both quantitative and qualitative research methods, making it a mixed-method approach; however, the bulk of the methodology will rely on qualitative techniques.

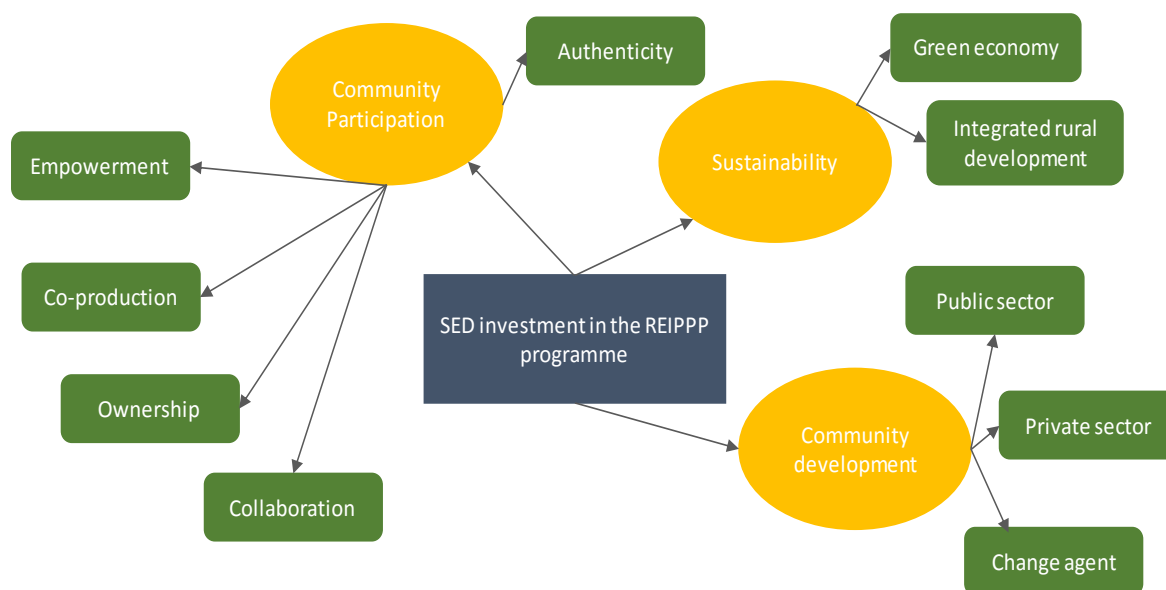
According to Babbie and Mouton (2015:53), the qualitative paradigm applies to research which focuses on the “insider” perspective of social action. This method allows for a participatory community perspective in the programme. Semi-structured interviews will be conducted in the case study community to gain the perspective of local beneficiaries. Interviews will be structured in such a way that these allow for the participants to direct the researcher if need be. More structured interviews will be held with key stakeholders at SCATEC SOLAR in order to understand their experience with the procurement programme and their strategic intent. In both cases the interviews will be conducted face to face. As explained by Brynard and Hanekom (1997:32), an interview is a “meeting of two minds”, allowing the researcher, as interviewer, to gain knowledge from the expert: the interviewee.

A purposive approach to determining the interview list will be used, as the researcher knows some of the respondents. It is assumed that this approach will include snowballing at some stage of the process as well, based on recommendations made by interviewees. As this study will be assessing whether the implementation of the socio-economic programmes has been sustainably implemented in a participatory manner, the study is primarily impact assessment.

A risk placed on the reliability of this data is the unintended consequence of participants in communities providing inaccurate accounts of the experiences due to concerns of discontinuation of investment from the IPP. The researcher will counter this through triangulation of information using other sources, including literature and text reviews, as well as site visit reports.

## 1.9 STRUCTURE OF THE STUDY

The structure of this study was outlined using Brynard and Hanekom's (1997:64-67) mind-mapping exercise. Buzan (1991) and Svantesson (1994) in Brynard and Hanekom (1997:64) define mind-mapping as, "A method that can be applied in the process of data analysis in order to filter out irrelevant data ...". As a result of this exercise, the following critical topics were identified:



**Figure 1.2: Mind map for this study**

**Source:** Adapted from Brynard and Hanekom (1997:64).

The chapters in this study will be structured in the following way:

**Chapter one** provides the overview of the study, including the research problem, design and methodology. A brief overview will be given of the key concepts.

The literature review will be presented in two main chapters. **Chapter two** will discuss the theoretical underpinning of participatory community development, and look specifically at participatory theories, models and strategies.

**Chapter three** focuses on the corporate social responsibility and sustainability context within which the REIPPPP exists in South Africa. A discussion on the concept of corporate giving and BBBEE will assist in setting the landscape. The chapter concludes

with a description on sustainable development as the main theoretical underpinning of the REIPPPP.

Broadly, the literature review will discuss community participation and sustainable development as the theoretical underpinning of the study and detail the journey towards placing community development within a renewable energy paradigm in South Africa. It will include the legislative framework against which the REIPPPP has been established.

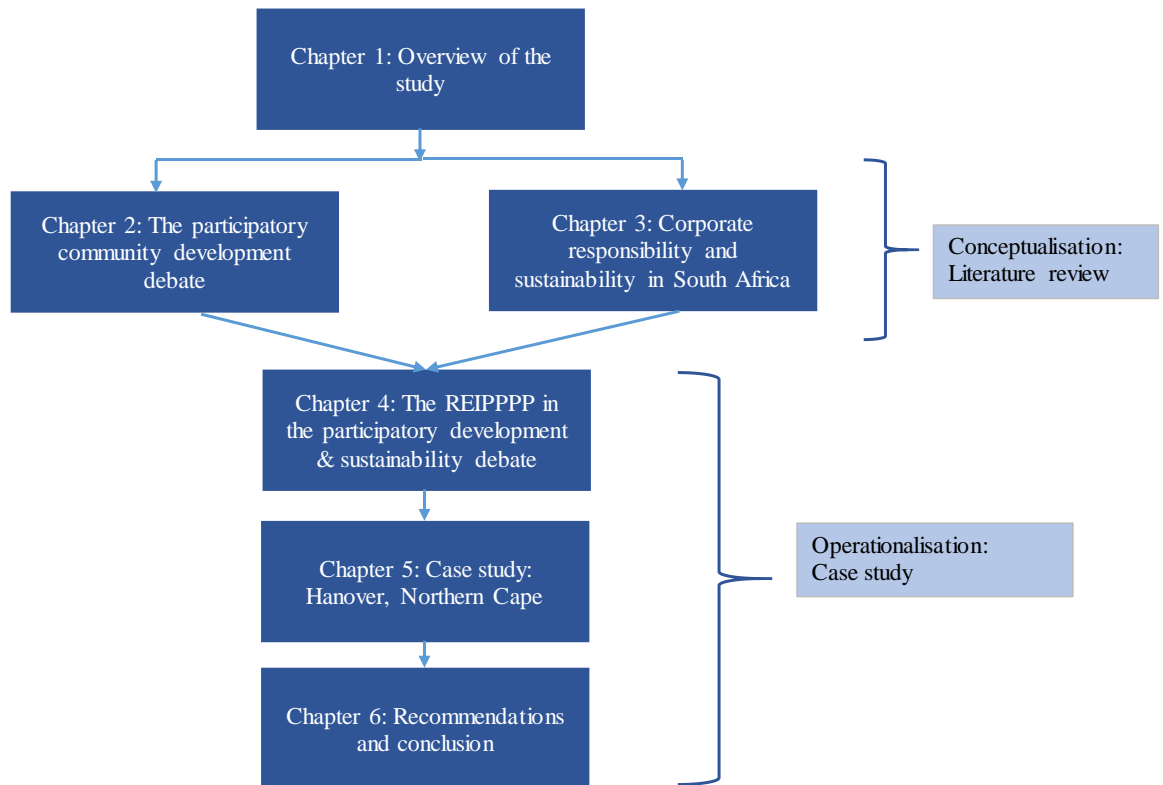
**Chapter four** will focus on placing the REIPPPP within the participatory community development debate. Firstly, the chapter will discuss the dilemma of the techno-social procurement programme in the South African economic landscape, and then specifically debate the participatory elements of the REIPPPP's local community development.

The Hanover case study will be presented in **Chapter five**, and a description of how SCATEC SOLAR conceptualised the socio-economic elements of the REIPPPP will be presented. The community development approach will also be analysed.

The analysis of the study will make a linkage to the rationale for maximising sustainable investment in local communities from IPPs, including a discussion on how to make these investments increasingly participatory. The chapter will also address the challenges faced by IPPs in engaging in these social initiatives in local communities, both from a perspective of empowering community stakeholders and working with local government. The participatory aspects relating specifically to engaging in community projects with regard to renewable energy projects will be discussed.

Finally, **Chapter six** will provide recommendations on aspects of the REIPPPP going forward and future research priorities.

The study outline can be represented in the following way:



**Figure 1.3: Study outline**

## **1.10 DEFINITION OF KEY CONCEPTS**

### **1.10.1 Community Participation**

A key concern for community participation is the authenticity of the engagement with communities, and the ability to participate beyond “consultation” and “involvement”, to “empowerment” of individuals (Theron, 2005:117; Theron & Mchunu, 2014:111).

As stated by Swanepoel and De Beer (2006:28-29), “when people are mobilised to participate, they do so fully in all aspects of the project. Thus they are part of the planning, decision-making, implementation, evaluation and management of the development project. If people are not the main role-players there is something wrong with their participation ... Power must accompany participation”.

“Public participation is the social learning and empowering participatory planning process through which the efforts of the people themselves (bottom-up approach) to influence, direct and own development are united with those of government and

officials (top-down approach) to improve the political, economic, social, cultural, environmental and psychological contexts of people and beneficiary communities to build self-reliance and capacity through enabling and empowering them to contribute to sustainable development” (Davids, et al., 2009:15). Cooke and Kothari (2001:5; 139) emphasise that participatory development practices have emerged as a result of the failures of traditional top-down approaches, and capture the objective of participatory methods as enabling, “... those individuals and groups previously excluded by more top-down planning processes, and who are often marginalised by their separation and isolation from the production of knowledge and the formulation of policies and practices, to be included in decisions that affect their lives.”

### **1.10.2 Empowerment**

Korten (1990:67) emphasises the importance of individuals being empowered in their own development process by stating that, “people-centred development entails a process by which the members of a community learn to mobilise and manage resources in order to produce sustainable and equitably distributed improvements in their quality of life.” Empowerment is difficult to achieve if the poor are continuously treated as the victims of their circumstances and require the expertise of qualified people to lift them out of their despair. Local people have their own indigenous knowledge systems and these systems should be respected as their “ecology of ideas” and experience of their circumstance (Davids, 2005b:25).

Burkey (1993:53-54) states that “... development workers should constantly ask themselves: am I increasing the confidence of the poor, their faith in themselves, and their self-reliance, or am I making them instruments of my own plans of action, imposing my own ideas on them? There is a tendency to do the latter among the development workers who come from university backgrounds, are well spoken and use standardised terms. This makes people who do not understand such language feel small and inadequate; instead of increasing their confidence there might be the opposite effect ... One cannot expect positive results from an educational or political action programme which fails to respect the particular view of the world held by the people”. In this regard self-esteem plays an important role in the active participation in one’s own development.



### 1.10.3 Sustainable Development

Issues of sustainability have gained prominence in the development debate, most recently with the ratification of the Sustainable Development Goals (SDGs) by a number of world leaders, which will shape development over the next 15 years (Lucci & Lally, 2016:6). The SDGs follow from the Millennium Development Goals and, “... are the closest humanity has come to agreeing to a common agenda for a future where no one is left behind” (Nicolai, et al., 2015, in Lucci & Lally, 2016:6).

The Brundtland Report (WCED, 1987), titled *Our Common Future*, offers the most well-known definition of sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own”. The importance of “Our Common Future” was its role in changing global thinking around the environment, and situating development against three critical aims, namely “the improvement of human well-being; more equitable distribution of resource use benefits across and within societies; and development that ensures ecological integrity over intergenerational timescales” (Watson, 2007:3).

### 1.10.4 Integrated Rural Development

Although there does not seem to be an accepted definition of a rural area in South Africa, the Rural Development Strategy of the Government of National Unity Document (RSA, 1995) refers to rural areas as those areas that have the lowest level of services, and the greatest average distance to the nearest service points. Rural areas are also characterised by high levels of illiteracy, which can be a barrier for people in rural communities to become the implementers of programmes and activities (Maminza, 2009:1). The Anti-Poverty Strategy for South Africa Discussion Document (RSA, 2008) refers to people living in poor areas such as rural areas, townships and farms as the people who are most vulnerable to poverty.

An essential element to integrated rural development is an effective and efficient local government presence, which embodies democracy, promotes participation and acts as the custodian of the beneficiary communities within these vulnerable areas. As argued

by Theron, et al. (2007:2), local government should continuously be looking for innovate ways to promote democracy at grassroots:

*“The existing local government landscape in South Africa is a complex developmental environment shaped by the legacy of apartheid-style social engineering, hopelessness, bred by overwhelming poverty, an often unresponsive and uninformed beneficiary community, inefficient government institutions and ineffective change agents – all at odds with the high expectations of a frustrated citizenry”.*

### **1.10.5 Change Agent**

Businesses are required to include the social aspects of socio-economic development, enterprise development, skills development and ownership into their business process. This is the South African government’s policy for addressing some of the socio-economic imbalances created by the apartheid past. Business is thereby compelled to straddle this “techno-social” reality, which also fits neatly into the broader sustainable development context. However, the dual role of developer and planner compromises the authenticity of the community engagement and makes room for “involved” participation from communities, as the developer acts as the change agent (Theron & Mchunu, 2014:111-128).

Change agents have two roles, namely as “facilitators of human development and creating awareness, and secondly as organisational and rural business consultants. They need to live among the people, make friendships, share burdens as well as joys, and gradually establish that they are honest, well-meaning and have no ulterior motives for personal benefit. Change agents must also gain the acceptance and confidence of the poor people with whom they are trying to work ...” (Burkey, 1993:78-81). Furthermore, the change agent, as development practitioner, uses a set of tools to collect, interpret and analyse the data from participating community members. However, as noted by Kothari, in Cooke and Kothari (2001:143), “... the production and representation of knowledge is inseparable from the exercise of power.” The power dynamics between change agent and community participant is an important consideration when discussing the authenticity of participation.

As observed by Theron and Ceasar (2008:2; 43), the type of “top-down” and prescriptive development administered through development institutions and government through the use of “change agents” is problematic and can be premised as the reason for many development failures. Conversely, although it is evident that the introduction of the “outsider” or change agent does not always relate to authentic and empowering participatory development it is also rare that participatory development results as a consequence of community action without any type of outside motivation (Burkey, 1993:75). Burkey further explains that the role of the change agent is to facilitate or act as a “catalyst” to release the inherent ability of the community, and not to dictate what their development should be.

### **1.10.6 Renewable Energy**

Human activity has a detrimental effect on the natural environment and the planet’s resources are being used up faster than it can produce/reproduce them. Davids (2008:31) states that the biggest contributing factor is our reliance on fossil fuels, a reliance that continues to grow as our population and energy needs grow. South Africa obtains 90 per cent of its energy from fossil fuel and has some of the cheapest electricity in the world (Edkins, et al., 2010:1). However, this energy supply has come under threat in past years with the country experiencing rolling blackouts since 2008 (Swersky, 2008). These blackouts have resulted in billions being lost economically and the added risk of deterring potential investors due to the unreliability of energy.

The past 10 to 15 years have seen a global shift towards the increased use of renewable energy sources over traditional fossil fuels. Renewable energy accounted for an estimated 20 per cent of global energy demand in 2010 (REN21, 2011:18). The shift in energy use is mostly due to global concerns about sustainable energy practices and global greenhouse gas emissions. In South Africa in particular the introduction of the REIPPPP has meant not only the use of cleaner fuel sources, but also an opportunity to improve rural development through increased funding that will be directed to poorer communities in the country. Even though renewable energy is considered “clean” and is indeed cleaner than fossil fuel extraction, it is essentially still an extractive industry and, particularly in the South African context, this means socio-economic and community development obligations (Baker & Wlokas, 2014:27; Msimang & Sebitosi,

2014:422), similar to those that the mining industry needs to comply with through their social labour plans.

### **1.11. SUMMARY**

The REIPPP programme is becoming more prominent on the South African landscape, not only in terms of its contribution to clean energy but also its input to economic development to rural areas. This study will argue that in order to attain sustainable economic development, change agents working in the REIPPPP should employ participatory methodology in their community engagement.

This chapter provided a background argument to the importance of sustainable community development through participatory means and thereby the relevance of this study, and the hypothesis of this study was identified as: *Sustainable integrated rural development can be achieved through participatory community investment by renewable energy companies*. Authentic community participation is considered a plausible means to achieve sustainability, as it is founded in the principles of co-production, co-management, empowerment and ownership.

It is the intention of the researcher to evaluate the case study of SCATEC SOLAR'S socio-economic investment in Hanover in the Northern Cape. The methodology used by the IPP will be tested against the principles of authentic community participation, as identified by various participatory models, to determine the extent of the participation.

The following chapter forms the basis of the theoretical background for the participatory development debate and conceptualises the relevant analytical models to test the various strategies which result in authentic community participation.

## CHAPTER 2: THE PARTICIPATORY COMMUNITY DEVELOPMENT DEBATE

### 2.1 INTRODUCTION

*“It is manifestly unacceptable that development and transformation in Africa can proceed without the full participation of its people. It is manifestly unacceptable that the people and organisations be excluded from the decision-making process. It is manifestly unacceptable that popular participation be seen as anything less than the centrepiece in the struggle to achieve economic and social justice for all”.*

(The African Charter for Popular Participation in Development and Transformation in Davis, et al., 2005).<sup>1</sup>

Development has taken many forms, been characterised by many failures and successes, and has, for decades, been supported by various theoretical models. As Braidotti (1994:17) writes of development, “first the goal was rapid economic growth, then redistribution with growth, followed by satisfaction of basic needs and structural adjustment and recently, human development”. Theron (2008:4), referencing Swanepoel (2000), states simply that, “development is about people, their needs and the meaning-giving context in which they make ends meet”.

Development gained prominence in the 1950s, with early development theory influenced by merchant capitalism and colonialism (Davids, 2005b:4-9). Post World War II, the focus of development was on the modernisation of societies with theories such as Rostow’s stages of growth, which stated that societies follow a five-stage series from “underdevelopment” to “development”. The dependency theory of the 1960s plays an important part in the discussion on the creation of underdevelopment; it is further argued that even post dependency theory, the power dynamic between international development organisations and poorer countries still exists (Schoorman,

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<sup>1</sup> The African Charter for Popular Participation in Development and Transformation, 1990 (Davids, et al., 2005:218).

1996:10-11). The focus of these early types of development was largely centred on capital growth. However, eventually it was realised that only greater levels of inequality were created. As stated by Martinussen (1997:36), “The World Bank and development economists in general were fully aware that measurements of growth in terms of increased per capital incomes were faulty”. Supporting this theory, on a local scale, is the “centre-periphery” model popularised by Frank (Davids, 2005b:13). According to Davids (2005b:13), Frank argued that, “... the underdevelopment of certain countries and regions is created and maintained by the international capitalist economic system which sucks resources from the periphery to the centre”. The centre-periphery model not only describes the relationship between the developed and developing worlds, but can also be interpreted on a national level, whereby rural areas are left significantly underdeveloped in terms of shortages of resources and human capital, in order to develop urban areas. Frank’s argument can be utilised to describe the circumstance of Hanover, which lies outside of any major industrial zones and therefore suffers from underdevelopment due to limited resources and opportunities (see Section 5.2).

Many of these early development theories failed to encompass the “human factor” and the ability of societies to play a significant role in their own development. Burkey (1993:56) states that “participation is an essential part of human growth, that is the development of self-confidence, pride, initiative, creativity, responsibility and cooperation ... This process whereby people learn to take charge of their own lives and solve their own problems is the essence of development.”

The Humanist Paradigm of the 1980s onwards saw development as human- or people-centred, and took on a micro-approach to development as opposed to the macro-theories of the past (Jeppe, 1990:62). The focus on human development in recent times has become more prominent due to increased levels of inequality, particularly in the developing world, and indeed to the failures of the modernisation and dependency theories in bringing about sustainable development (Davids, 2005b:17; Monaheng in Theron, 2008:124; Korten 1990:299). Kotze in Theron (2008:7) encapsulates the new, more humanist direction of development through the following four related themes:

- The integrated nature of the development process;
- A holistic orientation towards development thinking;

- The importance of the social, political, economic and environmental contexts in understanding the integrated and complex nature of development;
- The relationship between development and the environment.

This particular aspect of human development has lent itself to the current iteration of participatory development, which forms the basis of community development for this study. Korten's (1990:67) definition of development encapsulates the increased people-centred view on development and states that, "development is a process by which the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations." The researcher poses that, although a more holistic, human-centred approach to development is a positive direction for community work, the practical implications have proven to be more difficult for change agents to implement (see Section 4.3.1) and in fact many of the "participatory" practices today are not authentic in their application and result in dependency rather than co-production and ownership.

Regardless of the difficulty of practical application of participatory methodology, in light of the above participatory development is a move away from a top-down approach, and instead encompasses the concepts of "people's democracy," "the people shall govern," and "nothing for us without us" (Theron & Mchunu, 2016:118). Theron and Mchunu (2014:111-128) further describe the process of development as one which fosters empowerment and enables community participants' greater control over their own lives and their broader societal circumstances. To understand the concept of participation and its practical adaptations, this chapter considers the theory underpinning community participation, the platforms which have provided guidance and structure to participation in development, and the concept of participation within the South African governmental framework.

## 2.2 CONTEXTUALISING SUSTAINABLE COMMUNITY AND PARTICIPATORY DEVELOPMENT

### 2.2.1 Theories of Participatory Development

The need for participatory development came about as a result of the failures of traditional forms of development. Development had taken on a people-centred approach, which Kotze and Kellerman (1997:36) describe as “[shifting] the emphasis of development action to people, rather than to objects and production, and to the enhancement of their capacity to participate in the development process”. The United Nations Department of Economic and Social Affairs has provided the classic definition of community participation in relation to development as follows:

*“[T]he process by which the efforts of the people themselves are united with those of government authorities to improve economic, social and cultural conditions of communities, to integrate these communities into the life of the nation, and to enable them to contribute fully to national progress.”*

(Theron & Mchunu, 2014:121)

The definition above breaks down this process into two essential elements, namely:

1. The participation of the people themselves in efforts to improve their level of living, with as much reliance as possible on their initiative; and
2. The provision of technical and other services in ways that encourage initiative, self-help and mutual help, and make these more effective. It is expressed in programmes designed to achieve a wide variety of specific improvements.

(Theron & Mchunu, 2014:111-128)

The change of thinking in development from modernisation and thereby an emphasis on economic growth, to a holistic and thereby participatory approach led to what Seers (in Theron 2008:51) termed a “crisis in planning”. The new way of thinking required



two fundamental changes, as noted by Convey and Hills (1990:48) in Theron, (2008:51). Firstly, “The scope of development was extended to integrate more than economic aspects” and, secondly, “in view of the fact that economic growth often led to inequality, it was realised that planning had to be of such a nature that development should benefit the whole society”. Within the REIPPPP programme planning becomes a challenge, as IPPs are required to submit their SED plans at bid stage already. With limited time to do thorough community engagement and planning, what ensues is half thought through and weak development plans. Furthermore, once an IPP has received preferred bidder status, they are required to report quarterly to the DoE, which limits the time required for planning SED and gives urgency to reporting on impact (see Section 4.2). This can be viewed as both the IPP adhering to the requirements of the DoE and the change agent adhering to the requirements of the IPP. Theron, et al. (2016:5) refer to this as ticking the “boxes of development” and having to cater to agency guidelines. A further issue is the concept of “community” and what this means within the REIPPPP. Cleaver, in Cooke and Kothari (2001:44-45) explains this by stating, “The assumed self-evidence of ‘community’ persists in our participatory approaches despite considerable evidence of the overlapping, shifting and subjective nature of ‘communities’ and the permeability of boundaries”. Nelson and Wright (1995:15) concur that, “Community is a concept often used by state and other organisations, rather than the people themselves, and it carries connotations of consensus and ‘needs’ determined within parameters set by outsiders”.

Gaventa, in Theron (2008:101), explains that the “participation parameters” can be found in three fundamentally different views of the participation debate and the role that grassroots beneficiaries have in contributing, owning and investing in their affairs:

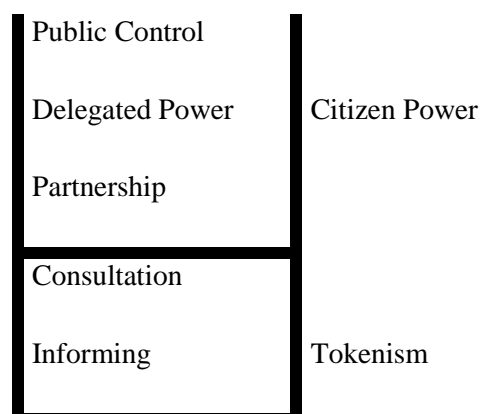
- The new-liberal market approach, which seeks the weakening of the state and advocates the promotion of decentralisation and privatisation. In this instance citizens “participate” through market choices and are considered as “consumers”.
- The liberal representative approach, which emphasises passive citizenry. Citizens participate through election and enjoy mainly individual rights. Certain elements of democracy are considered in this approach.

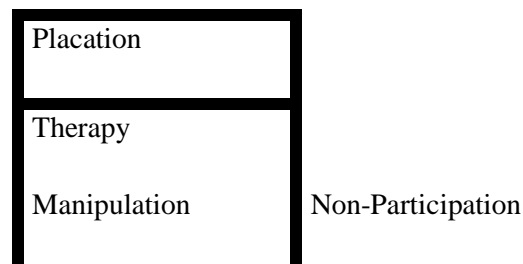
- The participatory democracy approach, which looks at “deepening democracy”, whereby citizens participate beyond elections and make a substantial contribution to development.

The participatory development approach is emphasised in the Municipal Systems Act (32 of 2000) (see Section 2.4.4) and is an important part of the Emthanjeni Local Municipality’s IDP, as described in Section 5.2.1.

The differing views result in differing practices but, as acknowledged by Mhone and Edigheji (2003) and stated by Davids (2005a:5), “... it has become accepted that the issues surrounding participatory development must be located in the broader sustainable development, democratisation, good governance and cooperative governance debate.” Theron and Mchunu (2014:111-128) take this principle one step further by implying that all development strategies or “interventions” have to consider participation, and describes participation as “... an elusive concept which acts as an umbrella term for a new style of development planning intervention”. Important to this idea of participatory development is the concept of “co-production”, which Theron, et al. (2016:150), describe as, “a form of service delivery where citizens act in conjunction with public entities to provide a service.”

One of the well-known models of participation is Arnstein’s (1969) ladder of participation (Cornwall, 2008:270), which describes a scenario of non-participation to tokenism and the ideal of citizen power. The latter is a scenario that sees the beneficiary as a co-producer of its own development.

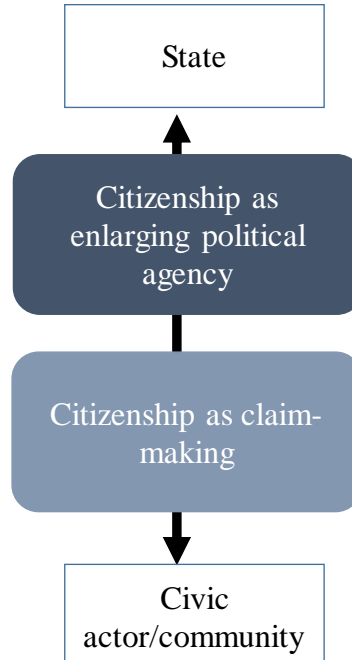




**Figure 2.1: Arnstein's ladder of participation (1969)**

**Source:** Cornwall (2008:270).

As stated by Theron and Mchunu (2014:129), Arnstein's (1969) levels of participation (see Figure 2.1) are positioned according to who controls the development process, and make the assumption that the community must possess the ability for "active citizenry". Van Donk (2013:12) defines active citizenry as being multi-dimensional, thereby including, "vertical relationships (citizens engaging with the state) and horizontal relationships (citizens engaging with and among themselves)". Graphically, this can be depicted as follows:



**Figure 2.2: Active citizenship as a vertical (two-way) relationship**

**Source:** Adapted from Van Donk (2013:12).

Both Arnstein (1969) and Pretty, et al. (1995) developed typologies within which to conceptualise community participation (Mchunu, 2012:51). Arnstein's typologies and their characteristics are described below:

- 1. Public control:** The public has the degree of power necessary to govern a programme, project or institution without the influence of the powerful (degree of public control and power)
- 2. Delegated power:** The public acquires the dominant decision-making authority over a particular plan or programme (degree of public control and power)
- 3. Partnership:** Power becomes distributed through negotiations between the public and those in power (degree of public control and power)
- 4. Placation:** A few handpicked members of the public are appointed to committees while tokenism is still the main motivation for the powerful (degree of tokenism)
- 5. Consultation:** The public is free to give opinions on the relevant issues, but the powerful offer no assurance that these opinions will be considered (degree of tokenism)
- 6. Informing:** A one-way, top-down flow of information in which the public is informed of their rights, responsibilities and options (degree of tokenism)
- 7. Therapy:** Instead of focusing on the programme or project, the public's attitudes are shaped to conform to those in power (non-participation)
- 8. Manipulation:** The public is part of powerless committees and the notion of community participation is a public-relation vehicle for the powerful (non-participation)

**Figure 2.3: Arnstein's Typologies (1969)**

**Source:** Adapted from Davids et al. (2005: 118).

Theron and Ceasar, in Theron (2008:106-107), state that the typologies of Pretty, et al. (1995) can be used, along with many other examples, to clarify the concept and strategy of participation. These typologies are as follows:

- 1. Passive participation:** People “participate” by being told what is going to happen or what has already happened. “Participation” relates to a unilateral top-down and system-maintaining announcement by the authority or change agent.

2. **Participation in information giving:** People “participate” by answering questions posed in questionnaires or telephone interviews or similar “community participation” strategies. The participants do not have the opportunity to influence proceedings.
3. **Participation by consultation:** Most often during community meetings, people “participate” by being consulted while change agents “listen” to their views. The change agent defines both problems and solutions and may modify these in light of the people’s responses.
4. **Participation for material incentives:** People “participate” by providing resources, such as labour, in return for food and cash.
5. **Functional participation:** People “participate” in a group context to meet predetermined objectives related to the programme/project, which may include the development or promotion of externally initiated social organisations.
6. **Interactive participation:** People participate (authentic and empowering participation) in joint analysis in the development of action plans and capacity building. Participation is seen as a right, not just as a means of achieving the goals of programme/project plans.
7. **Self-mobilisation:** People participate (authentic and empowering participation) by taking the initiative, independent of external institutions to change systems.

Cornwall (2008:271) offers an analysis of Arnstein and the typologies of Pretty, et al. (1995), highlighting that although they both describe a spectrum that moves power and control from the authorities to the end user, they in essence have very different end-points. While Arnstein’s (1969) typology is focused on the beneficiary or end-user, the typologies of Pretty et al. (1995) look at the perspective of the user of participatory approaches.

Oakley and Marsden (1984) developed four “modes” of community development that overlap with the seven typologies of Pretty et al. (1995), and illustrate a community continuum as “... mov[ing] away from a less desirable to a more desirable situation” (Theron & Mchunu, 2014:124). These modes are:

1. **Anti-participatory mode:** Community participation is considered a voluntary contribution by the community to a programme/project that will lead to

development, but the community is not expected to take part in shaping the programme/project content and outcomes.

2. **Manipulation mode:** Community participation includes “involvement” in decision-making processes, implementing programmes/projects, evaluating such programmes/projects, and sharing in the benefits; but the participants are still not empowered to control or own the programmes/project.
3. **Incremental mode:** Community participation is concerned with organised efforts to increase control over resources and regulative institutions in given social situations for groups or movements excluded from such control.
4. **Authentic public participation mode:** Community participation is an active process by which the community influence the direction and execution of a programme/project with a view to enhancing their wellbeing in terms of income, personal growth, self-reliance or other values that they cherish.

Furthermore, Oakley and Marsden (1984:19) state that participation is a voluntary contribution and that although community members are active they are not considered to make a significant contribution in shaping programmes/projects critically analysing government initiatives. As noted by Theron (2005:116), the general drive and motivation behind most types of development can be found within one of the above modes, or alternatively can be found within the seven typologies of Pretty, et al. (1995). Cornwall (2008:270) argues that, “typologies are a useful starting point for differentiating degrees and types of participation.” Theron and Mchunu (2014:130) provide a summation of the typologies of Arnstein (1969), Pretty, et al. (1995) and Oakley and Marsden (1984), in that the different views posed by each confirms the complexity of community participation, and the strategic direction is often understood and interpreted differently depending on the local context and reality of communities.

Burkey’s (1993) interpretation of participatory development is focused on skills development, and emphasises that for people to engage with development processes meaningfully they need to develop their skills and abilities. In Chapter 4 of this study, the need for relevant training is discussed as an essential component to sustainable community development, and a recommendation is made for further action in Section 6.2.6. Burkey (1993:56-60) points out that community participation involves more than just commentary, and includes:

- Greater control over [the participant's] own life situations;
- Access to resources for the beneficiaries' development;
- Exercising influence in the decisions affecting these resources;
- The opportunity to positively influence the course of events.

Siphuma (2009:24) argues that, although Burkey's (1993) argument is relevant, we must ask to what extent is it practically applied, and that in most cases this argument requires a "shift in thinking" from both the development practitioner and the beneficiary. Due to the conceptual confusion surrounding the concept of "community participation", Meyer and Theron (2000:4) offer Burkey's definition as a point of departure:

*"Participation is an essential part of human growth that is the development of self-confidence, pride, initiative, responsibility, and cooperation. Without such a development within the people themselves all efforts to alleviate poverty will be immensely more difficult if not possible. This process whereby people learn to take charge of their own lives and solve their own problems is the essence of development."*

Taking the concept of "learning" further, Meyer and Theron (2000:4-5) state that, "[community] participation is a social learning process linking the building blocks of development." The building blocks include participation, social learning, capacity building, empowerment and sustainability (Theron & Mchunu, 2014:111-128; Theron & Mchunu, 2016:115-147). Pieterse (2002:12) supports the principle of social learning and empowerment by defining participation as "... a process of social learning because it serves to empower uniformed, marginalised citizens about how they can advance their interests in conjunction with their (multiple) communities."

The complexity of *community participation* as the first building block is due to the fact that participation is closely related to human development and human growth (Burkey, 1993:50). The issue of "authentic" participation is important. As stated by De Beer, in

Theron and Mchunu (2014:111-128), what development practitioners equate to authentic participation often constitutes “involvement” or “consultation”, which is a weak interpretation of community participation. Theron (2005:117) further explains that the strong interpretation of community participation equates participation with “empowerment”. Cornwall (2008:270) agrees that “consultation” is often used to relay decisions that have already been made by those in power, and offers an artificial account of participation. In South Africa, the participation building block is also the underlying point of departure of the Reconstruction and Development Plan (1994), Developmental Local Governance, and the Integrated Development Plan, which is considered the most ambitious strategic planning model in the country’s history (Theron & Mchunu, 2014:111-128). Kotze and Kellerman (1997:39) emphasise that this level of participation is reciprocal and thereby a partnership in learning. However, it is important to realise that this type of reciprocal relationship between change agents, local officials, development professionals or policy-makers and the beneficiary would require a strategic shift in thinking. Theron and Mchunu (2014:111-128) share the thirteen strategic “shifts” required, as:

1. From top-down to a bottom-up approach.
2. From a blueprint to a social learning process approach.
3. From a system-maintaining to a system-transforming approach.
4. From a control to a release style.
5. From a “person-as-subject” to a “participant-as-actor” focus.
6. From a “hard/hardware” (nuts and bolts) scientific approach to a “soft/software” (heart and soul) scientific approach (interdisciplinary approach).
7. From a closed system to an open system approach.
8. From a mechanical to a dynamic approach.
9. From representative democracy to a participative democracy approach.
10. From a closed communication style to an open style.
11. From a formalised to an incremental approach.



12. From community participation as a cost to community participation as a benefit.
13. From a “fast-slow” sequence in project planning and management to a “slow-fast”.

According to Meyer and Theron (2000:5) and Theron and Mchunu (2014:111-128), the second building block, *mutual social learning*, follows after community participation has been put in place, and calls for practitioners to utilise the principle of bottom-up planning and to adopt a learning approach. Korten, in Davids et al. (2005:121-122), highlights the relevance to project management and planning, and advises that the relationship between the community and local government should be adjusted as follows:

- In terms of the people/community and the programme/project: the needs of the people and the expected output to be delivered must be integrated.
- In terms of the people/community and the organisation: the formulation of needs and demands by the people and the decision-making process of the organisation should be integrated.
- In terms of the programme/project and the organisation: the programme/project objectives have to be in keeping with the capacity of the organisation.

One of the main criticisms of the community engagement process is the use of a questionnaire when conducting research, which could be considered an opportunity for mutual social learning. Chambers (1983:51) critiques the use of questionnaires as being limited in their ability to gain meaningful insights into the conditions poorer rural populations experience. The researcher argues that a questionnaire can provide initial key information but in order to ensure authenticity and bottom-up learning of the information provided, more in-depth interviews and time is required with beneficiaries.

Coveys and Hills, in Theron (2008:53), explain the factors that make planning in development as complicated, stating that, “Planning demands research to reduce the complexity found in systems through the grouping of issues, role-players and resources,

and to identify simple cause-and-effect relations that often result in inconsistent actions in relation to needs”. In other words, the methodology used by SCATEC SOLAR, as discussed in chapter 5, through a change agent and questionnaires oversimplifies the beneficiary community, thereby questioning the suitability of the proposed socio-economic strategy.

According to Kotze and Kellerman (1997:41), for a development project to be successful and for participation to be the means to an end, mutual social learning is necessary and must be pursued. Within the South African context, Chapter four of the Municipal Systems Act (2000) (RSA, 2000) indicates, with reference to the social-learning process approach (Theron, 2005:121), that:

*“... This radical shift in thinking and planning means adopting a learning attitude at the outset in respect of all aspects of a development action so that the people, the “beneficiaries” of the action, are not included in the social learning process just as partners and beneficiaries, but also as actors in their own development.”*

Through an authentic social learning process, the significance of the local meaning-giving context through the Indigenous Knowledge Systems (IKS) and social capital of beneficiaries will be valued and applied throughout the developmental planning lifecycle (Theron & Mchunu, 2014:111-128). As discussed in 4.2 and 4.3.1, the power dynamic between change agent and community beneficiary is often in favour of the change agent who is deemed more knowledgeable and capable to deliver development. This places limitations on the beneficiary to believe in their own ability to bring about their own development. When considering a holistic developmental approach Kotze and Kotze in Theron (2008:90) provide the following points in understanding its meaning:

- A holistic approach brings realism to analysis when a large number of variables have to be considered;
- Communities are made up of people who are structure-determined ... and will not be influenced or controlled unless they themselves allow it to happen;
- The holistic approach creates an awareness of “more” in a community;

- A living organism is not static; and
- It is clear that, working with parts and wholes, a description of any one or more of the parts does not describe the whole, and that a description of the whole does not describe any of the constituent parts.

In this regard, in order to understand the “context of the community” it is important that the beneficiary forms part of the planning team. Brown, in Theron (2008:62), emphasises that by becoming “planning partners” with the beneficiary the following outcomes can be attained:

- Community (beneficiary) participation in the project management processes.
- The establishment of a community-project management partnership.
- The contextualisation of the project with reference to a beneficiary community.
- Increased project efficiency.
- Increased project effectiveness.
- Increasing beneficiary capacity and empowerment.

The third building block is *capacity building*. Capacity building is an essential element of development, as the people who need to engage in their own development process need to possess the skills and ability to do so. Capacity building does not only refer to upskilling of community members, as recommended in Section 6.2.6, but also “re-training” of the change agent in community matters, as highlighted in Section 4.3.1. According to De Beer (1997:21), capacity-building “... rests on the premise that people can lead their own change process.” Bryant and White (1982:205-228) concur that in order for people to “... share in, belong to, influence and direct the development process...” there is a degree of capacity building required where all participants partake in mutual social learning. Davies (2009:380-389) notes that effective capacity building programmes, “seek to build internal capacity of communities to achieve long-term socio-economic sustainability through developing local leadership and thus limiting the

need for government intervention”. Capacity building is especially important if one considers the inadequacies at local government level and the need to build resilience and self-reliance in rural communities who are heavily dependent on the local government structure. Monaheng, in Theron and Mchunu (2014:139), claims that capacity building is made up of three components: firstly, it “provides access to information and knowledge, social mobilisation and the material and financial resources required for meaningful participation”; secondly, it “involves making productive resources available to the underprivileged, entailing equitable distribution of economic resources and access to land and financial resources”; and, thirdly, “capacity building relates to the effectiveness of both administrative and institutional structures”. Monaheng’s three components places government central to the building block of capacity-building.

The fourth building block of development is *empowerment*, which is essential for sustainable development to become a reality (Theron, 2005:122). Oakley (1991:9) shares two views of empowerment, namely “empowerment as the development of skills and abilities which enable people to manage and/or negotiate better with the development delivery system”, and “empowerment as a process that equips people to decide on and take action regarding their development process.” Rahman (1993:206) describes empowerment as the process of supporting people to express through their words and their actions, their contribution to community development.

In understanding community participation as empowerment and equating participation with achieving access to power, and further linking it to the effective and efficient delivery of services, Oakley and Marsden (1984:25) have stated that:

*“The promotion of popular participation implies a redistribution of power requiring the consideration of political factors, social forces and the role of class in historical processes of social change, and participation is concerned with the distribution of power in society, for it is power which enables groups to determine which needs, and whose needs, will be met through the redistribution of resources. Also, power is the central theme of participation and ... participatory social action entails widely shared, collective power by those who are considered beneficiaries.”*

Burkey (1993:59) defines empowerment as a process which “... makes power available” and believes that community participation should lead to *sustainability*, the final building block of development. Cummings (1997:24-33) indicates that the shift in development thinking to a participatory approach – and by extension, a sustainable one – is indicative of a growing respect for IKS and value being placed on the beneficiary as “expert”. Theron (2005:123) indicates the importance of promoting sustainability at grassroots means acknowledging the value of IKS and the beneficiaries as local experts (Theron, 2005:123; Sillitoe, Dixon & Barr, 2006:3; Theron, 2008:8). To surmise, Theron & Ceasar (2008:121) state that participatory transformation should integrate the building blocks of development, “... through the *participation* of the public there will be a process of *social learning*, leading to the *empowerment* of participants and *sustainable development*.”

In their critique of community participation, *Participation: the new tyranny*, Cooke and Kothari (2001) dissect the reality of participation theory and what happens in the practical application of participation (Theron, 2005:113; Theron & Mchunu, 2014:111-128). They address the issue of power and the naivety of practitioners in their oversimplification of inherent power struggles. Power, according to Cooke and Kothari (2001:141), “must be analysed as something which circulates, or rather as something which only functions in the form of a chain; it is never localised here or there, never in anybody's hands, never appropriated as a commodity or piece of wealth.” This is a particularly pertinent issue in the South African context of political power struggles and high levels of institutional corruption.

As a result of the failures of the “modernisation” period of development and the fact that economic growth has not resulted in the envisaged poverty reduction, new forms of development were explored, in particular participatory development (Martinussen, 1997:42). Many international platforms were created to support participatory thinking, research and implementation and some of them are explained in the next section.

## **2.3 INTERNATIONAL PLATFORMS SUPPORTING PARTICIPATORY DEVELOPMENT**

Participation at an international level has gained prominence and the basic principle of citizens becoming “co-producers” of their own development underpinned this type of development (Theron, Mchunu & Mubangizi, 2016:181-184). The declarations and agreements presented in this section have formed an important base for the participatory development argument. The principles that overlap for all of the selected documents is the ability of participants to actually influence, direct, control and own the local development programmes and projects in which they are considered beneficiaries.

### **2.3.1 The Manila Declaration (1989)<sup>2</sup>**

The Manila Declaration is based on the common aim of ensuring that development practice is just, sustainable and inclusive. The Declaration was the outcome of the Inter-Regional Consultation on People’s Participation in Environmental Sustainable Development held in Manila, Philippines in 1989, where the participants aimed at developing principles towards people-centred development (Theron & Mchunu, 2014:111-128).

The outcomes were the formulation of four public-participation principles, which sought to broaden political participation built from a base of participatory local government. These principles were that:

1. Sovereignty resides with the people, the real actors of positive change.
2. The legitimate role of government is to enable the people to set and pursue their own agenda.
3. To exercise their sovereignty and assume responsibility for the development of themselves and their communities, the people must control their own resources, have access to relevant information and have the means to hold the officials of government accountable.

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<sup>2</sup> The Manila Declaration on People’s Participation and Sustainable Development (1989).

4. Those that would assist the people with their development must recognise that it is they who are participating in support of the people's agenda, not the reverse. The value of the outsider's contribution will be measured in terms of the enhanced capacity of the people to determine their own future.

The Manila Declaration (1989) proposed a shift in thinking and consequent transformation of development institutions, which would include redefining participation.

### **2.3.2 African Charter on Values and Principles of Public Service and Administration (1990)**

Participatory development is closely linked to the concept of participatory governance, which promotes principals of democracy and human rights (Theron & Mchunu, 2014:111-128). In their Charter, the African Union (AU) measures governance and public-service processes and have adopted three strategic mechanisms:

1. The definition of the key components of a professional and effective public service and its role in building a capable state.
2. The introduction of common measures and systems to ensure transparency and accountability in the public sector.
3. The establishment of a general framework of guiding principles, policies and management mechanisms to be used as a common language in the area of public service in AU member countries.

### **2.3.3 International Association for Public Participation (IAP2) (1997)**

The IAP2 has contributed to the practice of community participation by providing seven core values for practitioners that should be expected when intending to ensure active participation (Theron, et al., 2007:8). The values were developed over a two-year period with input from multiple stakeholders:

1. The public should have a say in decisions about actions that affect their lives.
2. Participation includes the promise that the community's contribution will influence the decision.
3. The participation process communicates the interest and meets the process needs of all participants.
4. The participation process seeks out and facilitates the "involvement" of those potentially affected.
5. The participation process involves participants in defining how they participate.
6. The participation process communicates to participants how their input affected the decision.
7. The participation process provides participants with the information they need to participate in a meaningful way.

(Theron, 2005:112)

The purpose of these values is to better reflect the interest and concerns of affected people through appropriate decision making (International Association of Public Participation, 2007). Theron (2005:113) and Theron and Mchunu (2014:111-128) argue that the community participation process should follow the principles of the IAP2, however Theron, et al. (2007:31) critiqued the values as guidelines that are complex, rigid and problematic, particularly in the context of South Africa's IDP.

## **2.4 THE SOUTH AFRICAN REGULATORY PERSPECTIVE ON PARTICIPATION**

South African apartheid history was not based on people-centred principles and instead operated according to the social construct of separateness. Development was used as a tool to create separate and unequal access and prosperity socially, economically and politically. Masango (2002:52) describes how in the apartheid era black South Africans were disenfranchised and therefore had no influence over the policies that were



implemented and affected them. In essence, the country had no “culture of participation” and the implementation was further compounded with “... poverty, the size of municipal areas, poor public transport, language barriers, illiteracy, poorly trained and uncommitted officials, poor participatory planning and poor implementation of strategies ...” (Theron & Ceasar, 2008:114). However, there was a degree of participation at the grassroots and one of the most resilient anti-apartheid forces in the late 1970s through to the 1980s was grassroots civic association. Stokvels, burial societies, youth and church groups rallied together, meeting in churches, homes, and streets to discuss their challenges and decide on plans of action. They played an instrumental role in building defiant communities capable of effecting change. Their success lay in the fact that they were not solely focused on political action, but also on community development. They mobilised communities around issues that affected them directly, such as access to water and electricity, the threat of crime, and the restrictive and dehumanising legislation of the apartheid government (Shaw, 2013).

As noted by Bradshaw and Burger (2005:52), community participation is closely linked to political philosophy: it is a key feature in the debate about democracy, and governments globally are being pushed to develop through participatory forms by including citizens more effectively in decision making (Cornwall & Coelho, 2007). The first democratically elected South African government aimed to create legislation and guide policy through concerted participatory development guidelines. In fact, as Davids (2005b:18) notes, “[P]eople-centred development was believed to provide a starting point in addressing the injustices of past development efforts”. The foundations of legislation in South Africa today are based in participation. These include the Constitution (RSA, 1996), The White Paper on Local Government Act (117 of 1998) (RSA, 1998a), The Municipal Systems Act (32 of 2000) (RSA, 2000), the Batho Pele Principles (RSA, 1997), and the National Development Plan (RSA, 2013). For Bekker and Leilde (2003:144), developmental local government and community participation are synonymous, and citizens are promised inclusive development as engaged voters and citizens. The most important document encapsulating the concept and requirements of participation in South Africa is its Constitution (RSA, 1996).

### **2.4.1 Constitution of the Republic of South Africa (1996)**

Within the context of community development and participation, the notion of participation is cited in the following sections of the Constitution (RSA, 1996):

- Section 152 (1)(e) of the Constitution (RSA, 1996), states that one of the objectives of local government is to encourage the “involvement” of communities and community organisations in the matters of local government.
- Section 195 (1)(e) further states that the people’s needs must be responded to and that the public be encouraged to participate in policy-making.

In terms of Section 152(1) of the Constitution (RSA, 1996), the objectives of local government are as follows:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development; and
- To encourage the “involvement” of communities and community organisations in the matters of local government.

The foundation for local government to do participatory development work can be found in the Constitution of the country (Theron, 2005:133-148; Theron & Mchunu, 2014:111-128). As stated by Hamann (2003:23), “The cornerstone of the South African government’s attempts, after 1994, to entrench civic rights for all and encourage citizens’ involvement in decisions that affect them is the Constitution”.

### **2.4.2 White Paper on Transforming Public Service Delivery (1997)**

Another defining document in South Africa’s service delivery was the White Paper on Transforming Public Service Delivery (RSA, 1997), entitled “Batho Pele”, “people

first”. The principles were developed to foster a “culture” of a people-first service delivery system and develop skills in public service delivery. The Batho Pele slogan: “We belong, we care, we serve”, and its eight principles of (1) “consultation”, (2) known service standards, (3) redress where these are not met, (4) equal access, (5) courtesy, (6) information, (7) openness and transparency, and (8) value for money, define how the community should be served.

### **2.4.3 White Paper on Local Government 1998 (117 of 1998a)**

The WPLG was established within the framework of the Constitution (1996). The Constitution places local government as a crucial element in realising the social and economic development objectives of the government (Davids, in Theron, 2008:35). The core aim of the WPLG is to “... establish the basis for a new developmental local government system, which is committed to working with citizens, groups and communities to create sustainable human settlements which provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic way” (RSA, 1998a:iii). As stated by Theron and Mchunu (2014:111-128), the aim of the WPLG is to bring the people “back into local government”. The Act itself makes provision for municipalities to develop structures that encourage greater participation and interaction through the ward councillor system. The White Paper suggests three processes that can assist local government in becoming more “developmental”, these include, (1) “integrated development planning and budgeting; (2) performance management; and (3) working together with local citizens and partners” (Monaheng, in Theron, 2008:139).

### **2.4.4 The Municipal Systems Act (32 of 2000)**

The Municipal Systems Act (32 of 2000) (RSA, 2000) emphasises community participation and states that, “A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance” (RSA, 2000). The Act (RSA, 2000:30) takes this principle a

step further by stipulating that local municipalities must support the community participation purpose, and in order to do so must:

- (a) Encourage, and create conditions for the local community to participate in the affairs of the municipality including in –
  - (i) The preparation, implementation and review of its IDP.
  - (ii) The establishment, implementation and review of its performance management system.
  - (iii) The monitoring and review of its performance, including the outcomes and impact of such performance.
  - (iv) The preparation of its budget.

The principles of participation and the foundation laid for participatory development in the acts above are clear, however it is often the implementation that is wrought with failures, particularly at local government level. Theron, et al. (2016:151) note that the implementation of the new participatory “development vision” presented a difficult task for municipalities to implement as a result of, “a shortage of skilled managerial and technical staff coupled with weak financial controls.” As described by Van Donk and Williams, in Theron, et al. (2016:152), “... while it would be incorrect to pretend that no progress has been made since 1994, of deep concern is the fact that a large proportion of the population continues to experience socio-economic exclusion and spatial poverty, without reasonable opportunities to transform their reality.”

Following the above, the REIPPPP was cast into this local governance circumstance without the proper guidance from national or provincial government and as a result local municipalities had to manage their own engagement with IPPs operating in the area. This unfortunately created the opportunity for mismanagement from the municipality side and creating unrealistic expectations from the IPP. Korten (1990), in Theron (2008:134) states that, “Government agencies are often characterised by an anti-development ethic – reflected, among other things, by widespread corruption, inefficiency and patronage.” It is important to note that, even in instances where public

officials are trying to implement municipal policy through participatory means, the South African context makes participation difficult.

As noted by Theron, et al. (2016:129), the context of “... hopelessness, a culture of dependency, marginalisation, poverty, dominance, gender inequality and the latest surge of corrupt individuals and agencies/institutes/governments militate against participation by its ‘intended beneficiaries’.” As mentioned previously, Cooke and Kothari (2001), in their criticism of participatory development, argue that the theory does not consider the political dynamics of communities and the ability of conflict to derail participatory efforts.

Monaheng, in Theron and Mchunu (2016:209-241) suggests that a supporting environment would require three fundamental changes, namely:

- Decentralised administrative structures: decentralisation of power and authority enable an organisation to obtain better and more reliable information about local circumstances.
- Bureaucratic reorientation: administrative procedures and approaches must be replaced by more flexible and imaginative action.
- Policies and priorities: the policy environment needs to enable the supporting role of government and change agents rather than enable their leading role in participatory development.

#### **2.4.5 National Development Plan 2030 (2013)**

The National Development Plan form an important part of nation building as these plans have both a psychological and motivational impact on citizens (Theron, 2008:48). The National Development Plan (NDP) 2030 is South Africa’s strategic plan aimed at eliminating poverty and reducing inequality by 2030 (RSA, 2013:24). The Plan is focused on three key elements, namely an active citizenry, a capable state, and leadership, and was founded on the following pillars (Trialogue, 2014:106):

- Uniting and mobilising all South Africans.
- Active engagement of citizens in their own development.

- Expanding the economy, making economic growth more inclusive.
- Building key capabilities of both people and the country.
- Building a capable developmental state.
- Fostering strong leadership at every level of society.

The need for an active citizenry underpinned a large part of the identity of the plan, which states that “... social activism is a precondition for the success of democracy and development” (Theron & Mchunu, 2014:111-128). The NDP has recognised that the unintended outcome of government’s efforts in bringing about democracy has been the reduction in incentives for citizens to be direct participants in their own development (Shaw, 2013). The authors of the NDP felt so strongly about active citizenry that they chose to canvas the views of a large majority of South Africans in the formulation of the NDP, in what they state is an invitation for South Africans to get “actively involved” in processes to advance shared goals (Shaw, 2013). The NDP defines active citizenship in the following ways (Van Donk, 2013:11):

- Active citizenship is related to rights, equalising opportunities and enhancing human capabilities;
- There is a strong correlation between active citizenship, government (routine) accountability and responsiveness; this is related to “holding government to account”;
- With reference to local government, citizen participation needs to be mainstreamed and citizen priorities need to shape municipal planning. This definition holds the IDP at the centre of deliberate and engaged communities.

The Plan acknowledges that “... (The) State cannot merely act on behalf of the people – it has to act with the people, working together with other institutions to provide opportunities for the advancement of all communities” (RSA, 2013:27).

## 2.5 SUMMARY

This chapter unpacked the concept and principles of participatory development. The connecting factors are that communities should be enabled and encouraged to participate in their own development. This does not occur through “consultative” or “involvement” measures but rather through measures that promote empowerment. As defined by Bryant and White (1982:15):

*“Development as an increase in the capacity to influence the future has certain implications. First, it means paying attention to **capacity**, to what needs to be done to expand the ability and energy to make change. Second, it involves **equity**; uneven attention to different groups will divide people and undermine their capacity. Third, it means **empowerment**, in the sense that only if people have some power will they receive the benefits of development. And finally, it means taking seriously the interdependence in the world and the need to ensure that the future is **sustainable**.”*

The aim of presenting international strategies is to emphasise the importance and necessity of a participatory and grassroots approach to development. This is in direct opposition to early notions of development that focused heavily on economic growth and capital gains to eradicate poverty, an approach that has proven to be non-effective and has only deepened inequality. The International Labour Organisation (ILO) has assessed these strategies and generated the following definition of participation, which integrates this chapter:

*“What gives real meaning to (popular) participation is the collective effort to the concerned people in an organised framework to pool their efforts and whatever other resources they decide to pool together, to attain objectives set for them. In this regard participation is viewed as an active process, where participants take initiatives and action stimulated by their own thinking and deliberation over which they can exert effective control.”*

(Rahman, 1993:150)

The theory of participation is, however, often not translated to development in real terms. Theron and Mchunu (2014:111-128) argue that the ideal of a “State-public participation partnership” has not translated into beneficiary communities actually being able to, “influence, direct, control and own,” their own development. On-the-ground change agents often rely on standardised forms of evaluating and engaging the community, which is helpful in terms of partially understanding a community, but does not allow for the nuances and IKS to surface. With a lack of guidance from national government on how IPPs should go about engaging the community, the reliance is placed on change agents, consultants and NPOs for direction.



## **CHAPTER 3: CORPORATE RESPONSIBILITY AND SUSTAINABILITY IN SOUTH AFRICA**

### **3.1 INTRODUCTION**

This second part of the literature review will describe certain elements of the corporate social investment (CSI) and sustainability context in South Africa. Describing this is important in order to understand the framework within which the REIPPPP was developed and is implemented. For the purpose of emphasising the important component of community development, and in particular its participatory elements, this chapter will assess the significance of corporate social investment (CSI) and evaluate its impact on the South African landscape. This will include a section on community development trusts (CDTs), as they are considered a participatory model for community development and are being used extensively in the REIPPPP. Despite their use, CDTs do not have a strong governance or developmental impact reputation in South Africa.

The chapter will discuss the issue of the CDT and its potential for co-production and management by the community. CDTs are infamously difficult structures to manage and have not had much success in the South African development space. This study highlights both the difficulties of this structure and makes recommendations for its improvement, particular in terms of capacity building and training (see Chapter 6). A key component of all of these policies and plans set by the government is that they require a number of elements for success. These include capacitated organisations and structures that are able to adapt, utilise strategic coordination and the inclusion of local knowledge systems (Barrow, 2005:30). The latter forms an important basis for participatory development.

### 3.2 CORPORATE SOCIAL INVESTMENT

CSI, as applied in South Africa, is largely influenced by the historical and social conditions of the country. CSI gained prominence in 1976 after the Soweto Uprising and the promulgation of the Sullivan Code<sup>3</sup> (Scott, 1986), which was to aid the end of the apartheid regime and support disadvantaged communities in South Africa (Davids, 2005c:75). The concept of “giving back” to poorer communities has manifested in various forms, ranging from voluntary to more mandatory compliance, and is aimed at addressing certain socio-economic issues such as education, health and social welfare.

Increasingly, companies are being pressurised to participate in some form of corporate responsibility. This is particularly evident for the corporates in extractive and manufacturing industries who have a greater impact on society and the environment. In South Africa, most companies administer their CSI through BBBEE, linking their CSI strategies to BBBEE compliance. Research shows that, although a moral imperative is indicated as the main motivator for giving, much of the giving in South Africa is still based on a company achieving its social licence to operate, industry sector charters and BBBEE compliance (Hamann, Reddy & Kapfudzaruwa, 2010; WWF-SA, 2015:23; Trialogue, 2014:238).

BBBEE is well known, even amongst foreign companies, and is an expected part of doing business in South Africa (Tait, 2012:56). BBBEE legislation deals directly with issues of empowerment and social transformation (Ponte, Roberts & van Sittert, 2007:2) and is therefore essential to the literature of CSI and the broader societal reach of the REIPPPP, which includes elements of both in its construction. Trialogue (2014:34) identifies the importance of the renewable energy sector, and that the industry is set to become an important contributor to CSI (see Figure 4.3) particularly in the rural areas of the country. As noted by Tait (2012:12), “There is obvious overlap in the discourses of [CSI] and BBBEE with the latter’s focus on empowerment and businesses role in social transformation”.

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<sup>3</sup> Sullivan Code: The Sullivan principles are the names of two corporate codes of conduct, developed by the African-American Preacher Rev. Leon Sullivan, promoting corporate social responsibility. The original Sullivan principles were developed in 1977 to apply economic pressure on South Africa in protest of its system of apartheid.

Business does make a significant contribution to development through CSI in South Africa with the sector estimated to be worth R8.2 billion (Trialogue, 2014:36). It is therefore evident that outside of government's role as primary social investor, the private sector has an important role to play in terms of development. The corporate structures also rely on outsourcing the implementation of their socio-economic funds to NPOs who, according to Habib and Kotze in Theron (2008:37), "knowingly (or unknowingly) endorses the neo-liberal approach of outsourcing and privatising the role of the State, without much regard for the lines of accountability between themselves and the poor communities on whose behalf they speak". As a result, CSI has faced many challenges in terms of its efficacy in bringing about developmental change for poorer communities. The notion that doing something good is "good enough" has plagued actual developmental impact for many years; furthermore, businesses are often not prepared to support organisations in the long term and engage in shorter-term engagements. SCATEC have indicated that they aim to recast the relationship between corporation and community by assuming the role of "long-term development partner" (SCATEC SOLAR, 2015:7). This is in the very least indicative of an understanding of what it takes to effect real change.

One of the main questions associated with CSI is whether the investment is being made under the auspices of changing society for the better, or whether the intentions are at best about marketing and public sentiment. There is a sentiment that corporates do not have the capacity or skills to address social problems (Davids, 2005c:80), and that often the responsibility of social investment is left in the hands of the marketing or human resources department who do not have the time to properly consider the impact (Mthembi, n.d.). In cases where CSI is not internalised, change agents have been used to facilitative community development, CSI initiatives and even community participation (Swanepoel & De Beer, 2006:49-56). In addition, private social investment is poorly monitored, resulting in a large portion of a R8 billion industry having no accountability to communities or measured return on investment. In the case that social investment is monitored and thereby measured, the unit of measurement is spend and not impact. CSI is often a well-intended but badly executed exercise.

Only through deliberate development efforts can corporates transition from spend to impact. Deliberate CSI is not found in top-down approaches to solve socio-economic problems (Trialogue, 2014:258); equally it is not found in following current trends in

development, which is often the case when CSI is formed for marketing or publicity reasons.

With regards to the risk of “trendy” CSI overriding deliberate methodology, Chambers (2012:2) notes that, “The buzzwords empowerment, participation, partnership, ownership, transparency and accountability all imply changes in power and relationships, but these are contradicted especially in aid by top down standardised demands and the mind-set that goes with ‘delivery’”. These “buzzwords” are found in SCATEC’s SED plan (as discussed in Section 5.3.2.) and are therefore indicative of following current popular, CSI methodology.

In order to ensure a deliberate type of development which focuses in impact for beneficiaries, Chambers (2012:2) identifies three “R”s required for a participatory development approach, including “reversal”, which refers to reversing adverse trends in methodology such as “consultation” and “involvement” to participatory learning and action borrowed from anthropology (Cornwall, 2008:270; Theron, 2005:117;160; Chambers, 1992:2-8); “reflexivity”, which refers to introspection and identifying one’s own biases and frame of mind; and “realism”, which entails flexibility and adaptability to the rapidly changing realities at grassroots. Theron and Mchunu (2014:111-128) liken these three “R”s as being in line with the participatory ideals of the NDP.

Chambers (1983:103-111) also describes five interlocking disadvantages which rural poor people have to struggle against and which trap them in deprivation. These include poverty itself; physical weakness; isolation; vulnerability; and powerlessness. Hanover is described against each of these disadvantages in Section 5.2.

### **3.3 COMMUNITY DEVELOPMENT TRUSTS**

Community development trusts (CDTs) have become the predominant governance structure used by REIPPPP to administer funds, and promote community ownership in the projects (Tait, et al., 2013:18). A community trust is an entity that governs assets on behalf of a defined beneficiary group, and is a common choice of legal vehicle for community development in South Africa. SCATEC have chosen to develop three different CDTs servicing three different project sites, including one for Hanover (see case study in Chapter 5). Within the REIPPPP the community ownership or shareholding has to be financed in the form of a loan and this loan needs to be serviced

prior to dividends flowing to the community. The loan repayment most likely takes several years, and therefore the CDT structure remains inactive, apart from administrative functions.

CDTs are also a contentious issue because of how they have operated and the extent to which they have managed to create impact in terms of socio-economic issues. In some of the CDTs in mining communities, which have been operating for many years and have therefore seen the vast majority of funding through dividend flows, the CDTs have contributed little benefit to the beneficiary communities (Tshikululu Social Investments, 2010). Instead, as indicated by Tshikululu (2010), they have been plagued by mismanagement of funds, corruption and inadequate governance processes.

The local community ownership model of the REIPPPP means communities in the vicinity of the project will own significant equity in each project throughout the lifetime of that project, and the idea is that dividends flowing through the trust will be utilised towards community development initiatives. This can be significant for rural areas, which are often outside of the scope of CSI budgets that are centred on urban areas (Davids, 2005c:81). Cooke and Kothari, in Theron (2008:103) provide two objectives of participatory approaches, “first, the *efficiency argument* that participation will yield better project outcomes; and second, the *equity and empowerment argument* that participation is a process of promoting the capacity of people to improve their own lives.” The latter is important in the discussion of CDTs, as the main objective of these structures is to give participants the “power” to make decisions for their own development. The role of a change agent in this instance should not be to own the decision-making of the CDT but rather to facilitate the empowerment of the members to make their own decisions. Often what is required is capacity building. Monaheng, in Theron (2008:134), speaking of capacity building with regard to local government, explains that, “... capacity building should be understood in its broad sense – denoting education and skills-building initiatives, as well as the provision of productive resources and socio-economic infrastructure.” Swanepoel and De Beer (2011:26) support Monaheng in their assertion that capacity building strengthens the ability to undertake tasks on a personal and institutional level. The logic can be utilised throughout participatory development discussions, engaging in co-production and co-management.

Research conducted by Tshikululu Social Investments (2010:47) highlighted some of the operational challenges faced by BBEE community trusts:

- Ensuring adequate representation of the beneficiary community on trust boards. Even with the best of intentions, it is difficult to ensure that representatives will always consistently and effectively communicate and represent community interests in an impartial manner;
- Poor communication with stakeholders;
- Challenges in delineating community boundaries and working in communities with no common identity or mobilisation to take advantage of;
- The fragility of community institutions, which rely on people's voluntary commitment and often results in high turnover rates. Operational challenges include project management, sub-contracting consultants, financial oversight, monitoring, evaluation and reporting, and stakeholder participation requiring dedicated and skilled personnel. Administration of trusts requires dedicated, paid employees;
- The intrusion of local politics in governance and relationships, and the "inevitable contest over resources". Introducing significant resources into a community can impact existing social arrangements and provoke contention in often unanticipated ways;
- Low levels of skills and capacity in communities, which are difficult to address in the frequently noted reality of high staff turnover; and
- Frequently inadequate monitoring and evaluation. This should be an embedded procedure in trusts and be undertaken by a third party that is seen as independent.

The researcher is of the opinion that, although the critique of the challenges and consequent mismanagement of CDTs by local community members is fair, this should not be a hindrance to efforts to improve the structure and make it meaningful under the REIPPPP. There is currently no guiding document available to assist IPPs in appointing

trustees (Tait, et al., 2013:19), however a respondent at the Industrial Development Corporation (IDC) indicated that the organisation was working on such a guiding document, which will be made available to the REIPPPP in due course (Respondent 1, 2015).

Furthermore, the notion that community members are not able to manage their own trusts effectively is both untrue and condescending. If the trustees are provided with specific training in terms of governance, their fiduciary duties and other responsibilities of trustees they will be better suited to engage with their trustee responsibilities (Swanepoel & De Beer, 2011:67). As noted by WWF-SA (2015:37), “Increased communication and capacitation of trust boards including the community representatives on these boards is crucial in order to create an environment for trusts to excel beyond their reputation”.

### **3.4 SUSTAINABLE DEVELOPMENT GOALS**

South Africa has been under pressure from the international community to introduce sustainable energy development, as the country is considered to be “energy intensive” (Ting, 2015:85). As a result, the country has made a number of intentional commitments to climate change. It has ratified both the United Nations Framework Convention on Climate Change (1997)<sup>4</sup> and the Kyoto Protocol in 2002<sup>5</sup> (Turley & Perera, 2014:24). The Copenhagen Accord followed these declarations in 2010, where South Africa committed itself to sustainably reducing its greenhouse gas emissions. These commitments are already being reflected in policies in the country, including in the REIPPPP.

The SDGs were officially launched and adopted by 150 nations at the United Nations head office in New York in September 2015. The SDGs are regarded as embracing the “triple bottom line approach to human development” and the fact that most societies today acknowledge the importance of aiming for “a combination of economic development, environmental sustainability, and social inclusion ...” (Sachs, 2012:2206). Importantly, the documents preceding the goals emphasise the importance

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<sup>4</sup> United Nations Framework Convention on Climate Change (1997).

<sup>5</sup> Kyoto Protocol (2002).

of participatory development and advocate for “... the necessity of inclusive co-operation and an integrated participatory approach of all actors and [recognising] the important role that local governments play in attaining the sustainable development goals” (Theron & Mchunu, 2014:111-128; Theron & Mchunu, 2016:141). The SDGs constitute an important framework within which the REIPPPP falls. A number of goals can be linked specifically to SCATEC’s SED commitment in Hanover and the relating strategy. These include ending poverty, provision of quality education and providing affordable and clean energy. An ideal which SCATEC should continue to work towards in particular is SDG goal 17, which is “Partnerships for the goals: Strengthen the means of implementation and revitalize the global partnership for sustainable development”. A list of the complete 17 goals is provided in Annexure F. In line with these goals, the RIO+20 Conference emphasised that, in order to advance the sustainable development agenda, the inclusion of voices of representatives from all levels including local, provincial and national is crucial (Marsden, 2006:191).

It can be argued that South Africa’s energy plans are contradictory to its commitment to climate change, due to the building of two new coal-fired power plants – Medupi and Kusile – which could make a significant contribution to the incidence of greenhouse gas emissions (Ting, 2015:93). However, as a developing country with a large number of people still living in poverty and with seemingly increasing degrees of inequality prevalent, South Africa is faced with a conundrum concerning development (RSA, 2013).

South Africa finds itself in a predicament similar to China and India, who have the dual pressure to engage with sustainable development technologies while also alleviating poverty. Inevitably, with the abundance of coal and its consequent low cost, the reality is a reliance on coal for economic growth, as opposed to incorporating more expensive sustainable energy technologies and placing the burden of sustainability on the poor. Another difficulty facing the country in terms of sustainable development practices is the issue of empowerment and essentially shifting that power dynamic from the state to local communities (Davids, 2005b:21). The NDP has noted active citizenry as a key driver of its plan for development and transformation of society, and has established participation as essential to delivery of the Plan on the basis of the fragmentation of communities. Although adding to this complexity, Van Donk (2013:13) notes that power is not only found in the state/community relationship but is also found within



communities themselves. Adding to this debate Mhone and Edigheji (2003:353-354) state that for participation to be, “located in the broader sustainable human development ... debate,” it would require, “... the formulation of strategies and policies aimed at promoting sustainable human development needs to be premised on popular participation, that is the participation of citizens in all structures of governance, at all levels, from agenda setting, through policy formulation, to implementation and evaluation.” One of the main criticisms of participatory development and thereby of placing the power of communities’ development in their own hands is that communities are not to be trusted with that responsibility. This type of criticism places the responsibility of community development on the state or development agencies. This perception is erroneous in many ways, as it contradicts Davids’ (2005b:21-22) characteristics of empowerment, which are as follows:

- It is a process that involves some degree of personal development (indicative of the fact that people need to perceive themselves as able).
- It cannot be imposed by outsiders, only supported.
- The process of empowerment involves being conscientious, moving from an insight into one’s ability to doing something with that ability.
- Empowerment is not exclusive.
- Empowerment is a collective action.

It is true that some see sustainable development as a guideline to development, while others regard it as a paradigm shift (Barrow, 2005:30). The definition of development provided by Rist (1999:13) is indicative of development prior to sustainable thinking. He states, “Development consists of a set of practices, sometimes appearing to conflict with one another, which require – for reproduction of society – the general transformation and destruction of the natural environment and of social relations. Its aim is to increase the production of commodities geared, by way of exchange, to effective demand”. This view is, however, no longer applicable in modern day development thinking. In order to make the SDGs work, decision-makers have to consider new models of development, and in particular ones that consider

environmental quality with social integration and poverty reduction (Downs, 2000:601-622). Goal 17 concerning partnerships is important when considering the collaborative measures required for a sustainable future, involving private, public and grassroots sectors.

### 3.5 SUMMARY

This literature review has given a brief overview of some of the broader elements relating to the policy environment under which the REIPPPP was created. South Africa has taken a strong stance in its mandatory applications of CSI for business, particularly through its SED and ED component of the BBBEE Act (53 of 2003) (RSA, 2003b). Business has been given a quintessential role in bringing about transformation and sustainable development agendas in the country, more so than one would find in the international business community. The concept of sustainable development and socio-economic development are well known globally, but are more voluntary acts than legislated compliance requirements.

South Africa may very well be ahead of the curve with its incorporation of SED elements in its procurement, and indeed the Constitution (1996) makes specific provision for this; however, simply doing does not equate to impact. The minimal efforts placed on the socio-economic impact of the REIPPPP risks mimicking a CSI industry and a BBBEE legislative environment that has failed to bring about significant systemic change to date, although having been around for a number of years. CSI programmes should consider participatory solutions that have greater impact and effectiveness in the communities in which they are operational. The answer to achieving impact could lie in placing greater value on the community voice and using community participation to inform worthwhile interventions (Shaw, 2013).

Although participation and active citizenry is important for sustainability, Roodt, in Coetzee (2001:469) reminds that, “To achieve sustained development requires more than people participating in the development process. As important is a coherent and integrated state policy at national, regional and local level. In addition, the involvement of the private sector and NPOs is often a vital ingredient”. In addition, for the plans set

out in the NDP to become a reality requires a merging of development and participation on a political level, particularly at local government level (Van Donk, 2013:15).

The SDGs, as the new development agenda, require a paradigm shift and considering the many global signatories on the 17 SDGs, it begs the question whether countries are prepared for what needs to happen in order to take the world onto a sustainable path. This new direction means not doing business as usual and ratifying new means of public procurement that has both social and economic benefit, such as the REIPPPP. The formulating of sustainable methodology through government to generate positive multiplier impacts in the domestic economy is a positive direction for an inclusive future.

The next two chapters presents the discussion on operationalising participatory development within the REIPPPP. This includes the practical application of the REIPPPP in development and sustainability debate, as conceptually introduced in Chapter 3. The case study of Hanover is presented in Chapter 5 as the basis for analysing SCATEC SOLAR's community interventions.

## **CHAPTER 4: THE REIPPPP IN THE PARTICIPATORY DEVELOPMENT AND SUSTAINABILITY DEBATE**

### **4.1 INTRODUCTION**

This chapter will outline the potential role of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) in contributing to sustainable community development. It will detail the techno-social landscape within which project developers need to operate, referencing the requirements of the REIPPPP, which has borrowed from the BBBEE in this regard, and the use of change agents in a participatory manner. It will also contextualise the principle of sustainability within the rural context and the role of the private sector in achieving this ideal. The contextualisation is not an exhaustive exploration of the relationship between the private and local or rural sectors, but a descriptive analysis that will serve as the point of departure for a discussion of the role that SCATEC SOLAR has played in their beneficiary community, and by extension the role that can be played by other renewable energy companies.

In order to compete on a global scale and improve its industrial competitiveness the South African government has needed to increase its energy supply. South Africa's coal-dependent and carbon-intensive energy production methods have also compromised the country's ability to commit to green economy ideals. Through the introduction of the REIPPPP in August 2011, the country has become a prime destination for renewable-energy companies.

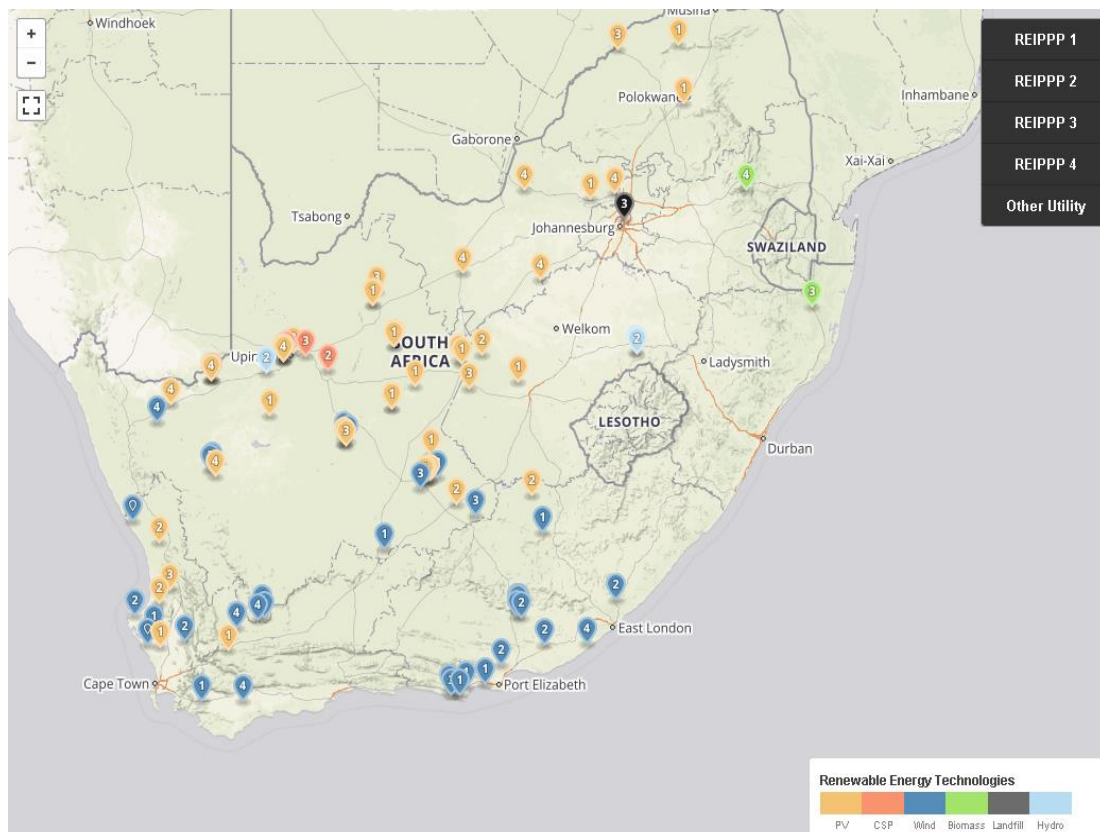
Baker and Wlokas (2014:3) comment that the REIPPPP emerged as a result of increased supply concerns from Eskom. The scheduled blackouts of 2008 and, thereafter, the increased electricity tariffs and national government's climate-change commitments primed the need for alternative energy sources. In addition, the financial crisis experienced by the renewable-energy industry in Europe led developers to the African continent as a new market with growth potential and the capacity to absorb the surplus in manufacturing of renewables technology (Baker & Wlokas, 2014:8).

According to a World Wide Fund for Nature – South Africa (WWF-SA) report, as of May 2015, the REIPPPP had approved 79 renewable-energy companies throughout

South Africa (WWF-SA, 2015:2). Each of these projects has been required to make a commitment to the communities within a 50 km radius of their operations through local community development initiatives.

The growth of the industry on the continent has been unprecedented. “In less than three years, South Africa has signed up more investment for more independent power generation than has been achieved across the entire African continent over the past 20 years” (Eberhard, et al., 2014). The economic development component of the REIPPPP is particularly exemplary for its potential to contribute to the development goals of the country (WWF-SA, 2015:17).

The government aims for renewable energy to contribute 20 per cent of the country’s total installed generation capacity by 2030, and considers this form of energy as a contribution to sustainable development (DoE, 2011b). Apart from the country’s natural abundance of renewable energy sources, the consideration for renewable energy by government was based on the fact that “... the use of renewables therefore strengthens energy security because it is not subject to disruption by international crisis” (Davidson, in Winkler, 2006:12). Montmasson-Claire and Ryan (2014:508) emphasise that South Africa is in a unique position to benefit from renewable energy sources due to the abundance of these sources. As shown in the diagram below through four rounds of the REIPPPP the South African landscape has changed extensively, with various forms of renewable energy technologies marking the country. These are particularly concentrated in the Northern Cape – primarily solar – and the Eastern Cape – primarily wind energy technology.



**Figure 4.1: Renewable energy project sites in South Africa**

**Source:** [www.energy.org.za/knowledge-tools/map-of-sites](http://www.energy.org.za/knowledge-tools/map-of-sites).

According to the Economic Development Department (2010), government is aiming to generate 400 000 jobs from the green economy by 2030. These jobs include the entirety of potential green economy employment opportunities, a large portion of which would come from renewable-energy companies. In terms of the overall economic contribution, an independent study by the CSIR noted that the renewable-energy industry contributed almost R8 billion towards the South African economy in 2014 (Hedden, 2015:10).

Research conducted on behalf of AltGen, a renewable energy recruitment and consulting company, indicates that as of 2014 more jobs have been created than were initially envisaged by the government, and reports that “... beyond the numbers, personal interviews with bidders indicated that fewer internationals were taken on due to the unexpected skill level of local South Africans, resulting in better outcomes than what is presented in the results published by the DoE” (Stands, 2014).

For bid submissions, project developers are obliged to assess socio-economic needs within a 50 km radius of the project site and state their commitments to providing

financial resources for health, education and other objectives during the lifespan of the project. A similar requirement is stipulated for enterprise development (ED): project developers must identify and design programmes and projects, such as support for small and medium-sized enterprises or business skills training. While these are new challenges for a young renewables industry, they are common requirements in South Africa's business environment along the principles of CSI, which in South Africa are generally interpreted through national black economic empowerment legislation (Hamann, 2006:175-195). The limitations of these types of programmes is that the priorities are established and influenced by the wider institutional setting and require businesses to maintain relationships with government, particularly on a local level (Mosse, in Cooke & Kothari, 2001:23-24). The dynamics between government and business often prove to be antithetical to the participatory community development agenda.

## **4.2 LOCATING THE REIPPPP WITHIN THE SUSTAINABLE COMMUNITY DEVELOPMENT CONTEXT**

The development of energy sources has both an environmental and social burden on communities (Davidson, in Winkler, 2006:1) and, in light of this and against the backdrop of BBBEE, the government has created a dual purpose for the REIPPPP that focuses on both these elements.

The REIPPPP has been driven by the principles of the BBBEE Act (RSA, 2003b) and the international companies entering the South African energy landscape are expected to embrace and structure the engagement in this techno-social landscape (WWF-SA, 2015:14). The BBBEE Codes of Good Practice were introduced to accelerate economic transformation and create a favourable environment for previously marginalised communities to enter the mainstream economy (Henry & Rifer, 2013:4). In addition, many of the industries in South Africa have specific industry charters, which are closely linked to their "social licence to operate". As stated by Tait, et al. (2013:10), "In South Africa the post-apartheid public discourse on national development and transformation envisages a key role for the private sector". As a result, BBBEE is entrenched in the business landscape of the country and operating within South Africa's borders requires

compliance to and an embrace of these requirements. As emphasised by Hamann (2006:181), “The government ... has a powerful mandate to circumscribe the constitutional property clause and influence the role of business towards social objectives – BEE is the most prominent expression of this”.

The two main objectives of the REIPPPP are the additional procurement of electricity-generating sources and a contribution to economic development. The programme creates a techno-social process that IPPs have had to adjust to when entering the South African market. By design, the social aspects of the REIPPPP require more engagement and innovation than the run-of-the-mill Social Impact Assessment or Environmental Impact Assessment (WWF-SA, 2015:14; Wlokas, et al., 2012:49; Department of Environmental Affairs, 2010:31). The economic development requirements criteria address economic development at a national level, but also include a specific focus on the communities within a 50 km radius of the various projects. Eberhard, et al. (2014:10) note that there are certain differences between BBBEE and the REIPPPP, such as the emphasis on black job creation over black ownership under the BBBEE codes, and the classification of enterprise and socio-economic development as local development targets rather than BBBEE targets, under the REIPPPP. The issue of ownership is particularly contentious. Tait (2012:21) notes that the criticism of BBBEE is the overwhelming focus on the acquisition of black capital and that the “broad-based” elements of skills development and CSI related elements are inadequate at targeting the poor and neediest of the population.

Conversely, the REIPPPP is less focused on issues of ownership and more concerned with black employment, although notably the only significant impact made in this regard is temporary employment during the construction phase. Mthembi (2015:128-129) notes the ownership issue as a hurdle to development within the REIPPPP. She states that the schism, which has been inadvertently created by BBBEE (and REIPPPP by their relationship), is between black firms created as investment holdings and the ones that operate the assets they own. With the latter being in short supply. Mthembi (2015:129), agrees with the principles discussed by Theron and Mchunu (2014:111-128), stating that the ownership requirements under REIPPPP has created passive black “involvement”, and that, “... the entrepreneurial capabilities that are required to create and maintain a renewable energy plant, from fund-raising to engineering, are not being transferred to whole Black South African entities that have that complete set of skills”.



This degree of “compliance” is quintessential to the discussion on participation for IPPs and the degree to which it is authentically implemented. In SCATEC’s SED plan (presented in Chapter 5), the IPP makes reference to the ownership of projects and that they aim for the community to consider the solar park as an asset owned by the community (SCATEC SOLAR, 2015).

As can be seen by the requirements in Figure 4.2 below, although the indicators are clear the measurement is once again based on compliance and further enquiry would be needed to determine impact. The REIPPPP is measured against an economic development scorecard that is guided by the balanced generic scorecard of BEE (Wlokas, et al., 2012:47; Tait, 2012:32). The REIPPPP scorecard is structured as follows:

	<b>Economic Development Requirements</b>	<b>Minimum Threshold</b>	<b>Maximum Target</b>	<b>Description</b>
1.	Job creation – SA citizens	Various indicators		Number of jobs held by local citizens.
	Job creation (local area)	12% of RSA employees	20% of RSA employees	
2.	Local content	Differs by technology		The capital costs and costs of services procured for construction minus finance charges, land and mobilisation fees of the contractor.
3.	Ownership (overall black ownership requirement)	12% of project shareholding	30% of project shareholding	The percentage of company ownership measured through shares and other instruments that provide the holder with economic benefits, such as dividends or interest payments.
	Ownership (community ownership requirement)	2.5% of project shareholding	5% of project shareholding	
4.	Management control	0	40%	The effective control of a company with reference to “top management”.
5.	Preferential procurement	Various indicators		The procurement of goods and services from

				suppliers that are BBBEE compliant.
6.	Enterprise development (ED)	0	0.6% of project revenue	Supporting the development and sustainability of black-owned businesses.
7.	Socio-economic development (SED)	1% of project revenue	1.5% of project revenue	Financial contributions to socio-economic development initiatives that promote access to the economy by black people.

**Figure 4.2: Overview of the REIPPPP economic development requirements**

**Source:** Tait, et al., (2013:11).

The procurement document in Figure 4.2 does not indicate the objectives and vision of economic development requirements. Even in the case of green economy employment opportunities, no reference is made to the nature of the work in terms of its longevity. More importantly, it does not provide a comprehensive monitoring and evaluation framework against which one could measure impact. Trialogue (2014:126), empathising the importance of an M&E framework states that, “The process of developing a M&E framework in itself helps to ensure that all project partners have the same objectives and are in agreement on how to measure success”. The project partners should also include the beneficiaries throughout the monitoring process.

The researcher also poses that the constraints and complexity of delivering community development against a framework with such specific reporting requirements as the REIPPPP can negate the objectives of authentic community participation, which often require a substantial part of a programme to be completed (as argued in Chapter 5). Currently SCATEC SOLAR is required to report quarterly on the SED and ED activities in communities; which could encourage maximising quantifiable achievements thereby often limiting the time and creativity needed to achieve participatory development.

As Tait, et al. (2013:12) indicate, there are various sectors in South Africa which undertake a techno-social role within the economy, with many signing up to empowerment charters and scorecards. The most notable of these is the mining industry,

which adheres strictly to its sector charters, and makes significant contributions to socio-economic development (Henry & Rifer, 2013:4). One of the main issues in these types of documents and their guidelines, particularly in the REIPPPP, is the lack of explicit guidance about how to approach community development (Swanepoel & De Beer, 2011), what types of models to use and guidance on measured outputs and outcomes of these initiatives. This, as Tait (2013:12) elaborates, "... leaves an important gap in our understanding of the requirements' successes and challenges, and means that there is no substantial evidence base from which to critically evaluate their progress". The risk posed by not clarifying or guiding the IPP in their community engagement is that the traditional "donor-beneficiary" relationship is reinforced and is fraught with an unbalanced power dynamic; this is indicative of a large percentage of the CSI industry in South Africa. As indicated by Cooke and Kothari (2001:5) the World Bank (1994) considered participation as "... a process through which stakeholders influence and share control over development initiatives, decisions and resources that affect their lives."

Government awards preferred-bidder status in part based on commitments or promises made by IPPs in terms of their local community development initiatives. According to a study done by the WWF-SA (2015:3), of the 69 projects approved by government within the first three rounds from 2011 to 2014, approximately R1.17 billion will be available for local community development projects, including socio-economic development, enterprise development and local ownership, over the next twenty-years. The contribution of IPPs to the rural communities could, if implemented properly, have a positive impact on the structural and systematic issues related to addressing poverty and inequality in South Africa.

The impact on small and medium-sized enterprises (SMMEs) is also significant if they manage to maximise their relationship with implementing companies. However, the challenge which exists for supporting SMMEs is a lack of business skills and experience (Wlokas, 2014). The indirect benefits for local economics include the following (WWF-SA, 2015:20):

- There is a temporary influx of people during project construction, leading to short-term growth in population size, increased demand on service and retail industries and social dynamics.

- Restaurant and entertainment businesses are positively impacted.
- Accommodation businesses and the hotel industry profits, often in terms of increased prices for accommodation. In rural areas where rentals are scarce, short-term rental prices increase.
- Transport and hardware businesses have the potential to benefit.

### 4.3 THE REIPPPP AND PARTICIPATORY DEVELOPMENT

*“Community development is the process of increasing the strength and effectiveness of communities, improving people’s quality of life and enabling people to participate in decision-making to achieve greater long-term control over their lives.”*

ICMM, Community Development Toolkit (2005:2).<sup>6</sup>

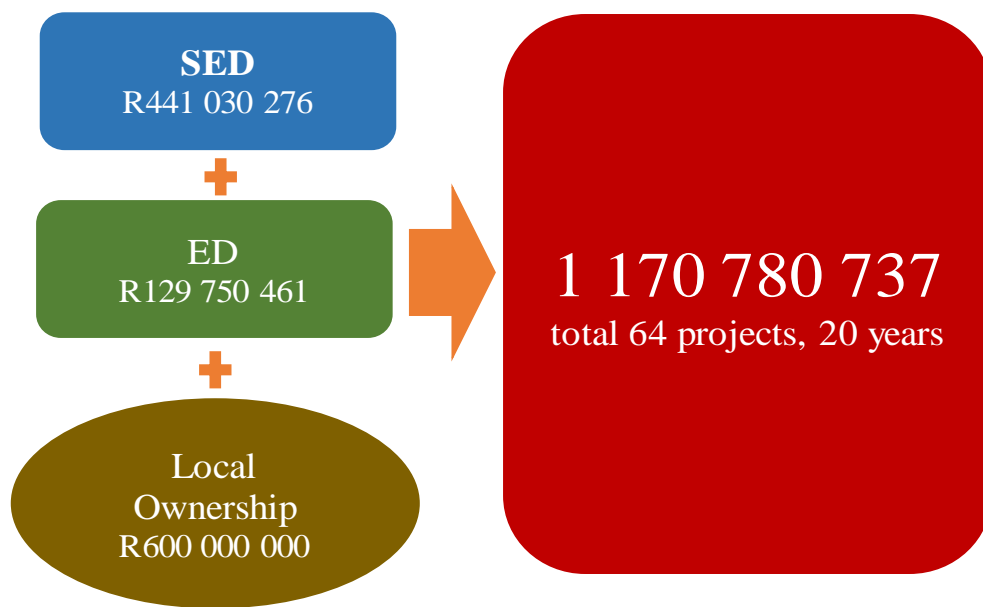
The economic development requirements of the procurement programme have been met with both compliance and negativity. Some developers see the process as the “cost of transaction” (Baker & Wlokas, 2014:29), while others regard the requirements as a nuisance. As the WWF-SA (2015:14) has commented, the REIPPPP does offer an opportunity for engineers and technical people to engage more meaningfully with the communities within which they operate. Theron and Mchunu (2016:1-26) offer the principle of a Public Participation Planning Partnership or P4s. The authors explain that a P4 is the integrating of the knowledge of the change agent as well as that of the grassroots beneficiaries, thereby creating the opportunity for “co-production between facilitators and recipients of development”. Companies are taking the community development requirements seriously but require more help with regard to how these initiatives are implemented and measured (WWF-SA, 2015:2).

One of the main reasons for assistance being required with how initiatives are implemented is due to the large amount of money made available for the social investment commitments of the REIPPPP. The financial commitments of projects in the

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<sup>6</sup> The International Council on Mining and Metals (ICMM) London, UK (2005).

first three rounds for SED, ED and local ownership, ranging from 2011 to 2013, totals approximately R1.17 billion; this is the investment from 64 projects over 20 years, with R441 030 276 allocated for SED (WWF-SA, 2015:21-22). Specifically, the local economic benefit spend is shown as follows (WWF-SA, 2015:22):



**Figure 4.3: Local economic development spend, 2013**

**Source:** Adapted for the WWF-SA Report (2015:22).

As discussed in Section 3.2. South Africa has a long history of CSI. Research conducted by Trialogue indicates that CSI spending accumulated to R7.8 billion in 2013 (Triologue, 2014:36). Companies were engaged in CSI activities even before the country's transition into democracy; however, many still undertake their CSI in an ad-hoc manner. The main concern for CSI in general is whether these vast contributions have realised impact on the ground; this challenge is no different for the renewable energy contributions to communities. The IPP's community investment is still at an early stage; however, the industry still has a prime opportunity to ensure that the investment will be impactful.

As examined in the work of Tait, et al. (2013), what will the economic benefits formulation be to historically marginalised communities from REIPPPP and to what

extent will these economic benefits bring about meaningful change? The concern posed by Tait (*ibid*) stems from the fact that the socio-economic development plans expressed by IPPs in their bidding documents run the risk of resembling mere desktop and compliancy exercises, with little means for communities to influence, control and own the process themselves. In the broader terms of community participation how can it then be ensured that the information interpreted and shaped by the practitioner is what is presented to them during their engagement with the community (Kothari, in Cooke & Kothari, 2001:147) and is not influenced by the pre-determined agenda of the IPP or of government? The nature of the engagement between IPPs and government constitutes the principles of public-private partnerships. The main role of government in this partnership is not only to ensure economic growth for the country through stable energy supply but also to create conditions through which rural development can be achieved as indicated by community development and participation theory. The researcher believes that the government has attempted to cover the necessary concerns by “involving” stakeholders from various constituencies, however one of the most important stakeholders was left out, namely the rural community. In this sense, the development of the REIPPPP was not truly collaborative and thereby not participatory, as argued in Section 4.2.

The REIPPPP is an exemplary example of a private-public partnership that combines the production of sustainable cleaner energy with the needs of economic development in one programme. The programme aims to simultaneously increase the share of renewable energy into the market while also maximising the economic development potential of the country (Wlokas, et al., 2012:7).

With the amount of potential investment available for communities, the IPPs present an important opportunity for rural development. However, as with any new programme, particularly those of a techno-social nature, renewable energy businesses are faced with the challenge of engaging meaningfully in the community development process (Wlokas, et al., 2012:7; Tait. et al., 2013:12; Eberhard, et al., 2014:29). Of particular importance is their ability as technical people to develop community-investment plans with a long-term sustainable impact on the South African rural landscape. The bid documents provided by the DoE contain little information regarding the role of various stakeholders and no reference is made to community engagement and participatory approaches to development (Tait, et al., 2013:13). Chambers, in Theron (2008:43-46),

describes four interacting “new” development paradigms that need to be considered when planning for development in a holistic manner. These are:

- **The normative level**, which borrows from Korten’s (1990) depiction of development being people-centred. In this light, change agents work with the project beneficiaries in project identification, implantation and monitoring.
- **The conceptual level**, where development institutions and change agents need to move away from the “top-down” approach to community development and to incorporate holistic planning into their approaches. The change in approach would require being “retrained/reorientated” in traditional participatory methodology, which will encourage the development of project management teams, consisting of both change agents and project beneficiaries.
- **The empirical level**, which considers the dynamism of people at grassroots and places importance on their IKS as a tool in planning for development.
- **The practical level**, integrating all the other levels, this level focuses on decentralised decision-making, grassroots participation and empowerment.

Following the above, the consequent challenge for IPPs and the techno-social environment that they find themselves in results in the inclination to conduct “community development” in the traditional means rather than engage in an authentic participatory partnership. Wlokas, et al. (2012:8-9) identify four principles in the community development processes that they deem relevant to the challenges faced by IPPs:

1. The definition of beneficiary community needs to be carefully considered.
2. Beneficiary needs are an on-going process of identification.
3. Community groups must participate.
4. Impact can be achieved through inclusive governance that adapts over time.

The researcher would add to this list the complexity of participatory engagement and authentic partnerships, which would result in beneficiaries becoming co-producers and co-owners of their own development. Through ensuring that beneficiaries manage and control their own development, the change agent establishes self-reliance through participatory project management (Theron, 2008:47; Theron & Mchunu, 2016:11).

One of the main challenges faced by project developers is that SED plans need to be included in the bidding documents. The procurement documents state that these SED plans need to be informed by community needs assessments, and must indicate the approximate investment into these communities (WWF-SA, 2015:17). Following community participation theory as stated in Chapter 2, what usually ensue are ad-hoc plans that are loosely informed on weak community “consultation” and “involvement” and promises made by the project developer. This has the potential for problematic community relations going forward, as it has become clear in the development literature that developers and change agents often do not understand the local meaning-giving contexts of development for which they plan (Kotze & Kotze, in Theron & Mchunu, 2016:61-83). Furthermore, the rigidity of the DoE’s quarterly reporting mechanism on the tenth day of each quarter places certain limitations on innovation and long-term strategic consideration. The DoE have based their monitoring and evaluation of IPP investment into communities on compliance and not impact. This poses a risk to long-term sustainability and mimics the careless CSI approach in other industries in other techno-social environments, such as the mining industry.

Furthermore, the SED component of the bid documents is considered to be highly competitive and has the potential to impede on authentic development elements (WWF-SA, 2015:27). Wlokas, et al. (2012:50), however, believe that, despite the challenges faced by project developers and the controversy surrounding community engagement, having the SED component of the REIPPPP early on in the bidding documents is an opportunity to incorporate these elements alongside the technical aspects of a renewable energy plant. According to Eberhard, et al. (2014:2), the government IPP unit’s capacity to monitor the implementation of these SED projects is questionable. If, as stated by Kaplan, in Theron (2008:12), “... interventions should leave the beneficiaries of development sufficiently enabled to take control of their own circumstance”, then the researcher believes that not enough measures have been put in place that ensure this type of engagement in the first place; and secondly to assess the success or failure

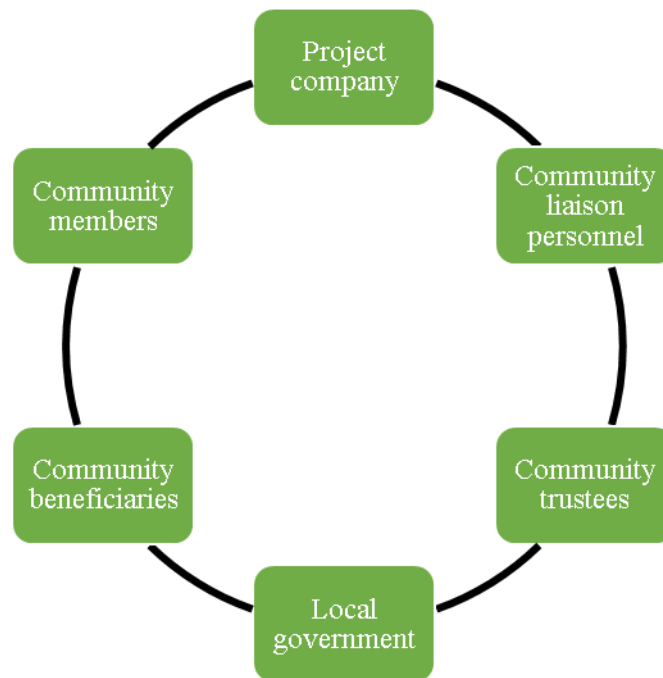


thereof. By virtue of design IPPs are not encouraged to engage with communities in a participatory and empowering manner.

The REIPPPP considers local communities as crucial stakeholders to the programme, but in practice they are still treated as mere “beneficiaries” of the economic development requirements, not having an opportunity to influence, direct, control and own the development process. As stated by Theron and Mchunu (2016:14), “Despite the good intentions propagated from international development stages, the reality is that we do not know how to manage an insider-out or grassroots development process well, and furthermore how to engage in a mutually participatory and empowering P4 (Public Participation Planning partnerships) process. The community are therefore inhibited to become co-producers of their development.”

Theron (2008:46) emphasises that when participatory planning is a priority then, “... it becomes important that all stakeholders (change agents, local beneficiaries, donors, the [IPPs], CBOs, NPOs and others) agree (at least) on the deliverables of the project and how these should be attained.” For example, in SCATEC SOLAR’s instance they claim that the community is an important stakeholder and have included the community “voice” in their socio-economic plans; however, the initial planning phase was conducted outside of the community. Theron (2008:46) continues, defining planning as, “... the process whereby, during policy formulation, attention is paid to the identification and coordination of long term goals and, as part of the process, to determining short-term objectives to focus systematically on long-term goals.”

The various stakeholders for a single project are many and can therefore create a complicated structure that needs to be managed effectively. Swanepoel and De Beer (2006:45-48) emphasise the importance for the change agent to accurately identify the key participants or “action group”, as not all individuals would necessarily participate in the project. The different stakeholders, as relevant to this study, are represented in Figure 4.4 below:



**Figure 4.4: Stakeholders directly involved in a REIPPPP project**

**Source:** WWF-SA (2015:34).

The REIPPPP presents an opportunity for collaboration amongst stakeholders, particularly in the instance of beneficiary areas overlapping (Tait, et al., 2013:14). The manner in which this type of collaboration is managed and governed is essential when trying to achieve maximum impact for and with beneficiary communities. Collaborative governance is defined by Emerson, Nabatchi & Balogh (2011:2) as “the processes and structures of public policy decision-making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished”.

This definition of collaboration is inclusive but also extends beyond the narrow definitions of “co-operation” and “coordination” (O’Leary & Vij, 2012:508), as collaboration is about more than just working effectively towards meeting the same end. When beneficiaries are “co-producers” of their own development, a collaborative partnership is formed between the change agent and beneficiary (Theron, et al., 2016:151). It is also about creating that public value, and operating in a way that incorporates that ethos of service to the people, which is the responsibility of organisations, whether public or private. Theron, et al. (2016:184) describe the Moore

and Hughes framework on public value, as defining public value as, “... what a society or culture values, such as accountability, human dignity, common good, efficiency and effectiveness.” Mair (GGLN, 2015:11) summarises these values within the framework of responsive and responsible governance by stating that accountability, consistency, efficiency and effectiveness are all interpretations of responsibility and required for civic engagement and action.

The sharing of disciplines and social learning (see building blocks of development discussion in sub-section 2.2.1) across sectors speaks to the capacity required to achieve public value and encapsulates that which government institutions often have very little of: financial resources, skilled personnel, tangible assets, managerial capabilities, information and in some instances, even trust (Donahue, 2004:2).

The REIPPPP can be considered as a form of innovative collaborative governance as it operates within, as argued by Borrini-Feyerabend (1996) in Emerson et al. (2011:8), “a multi-layered context of political, legal, socioeconomic, environmental, and other influences”. The defining characteristics of the collaborative paradigm include principled engagement, whereby participants are required to make deliberate and determined efforts to resolve problems; shared motivation, involving the essential characteristics of trust and mutual understanding by participants; and lastly, capacity for joint action, involving aspects such as leadership and resources (Emerson, et al., 2011). When managed correctly, collaborative governance can assist relevant stakeholders in achieving shared value and a mutual understanding of a particular public issue, in this case the participatory approach and sustainability of local economic requirements of the REIPPPP. Hickey and Mohan (2005:15) extend this collaboration to NPOs, challenging them to develop stronger, “political forms of participatory thought and action”, requiring, “moving beyond their locality with empowerment involving multi-scaled strategies and networks”.

The WWF-SA (2015:4) stipulates the risks involved in community development as a reason for IPPs to choose to support established non-profit organisations and tap into existing projects. Although this does give assurance to the IPP that their programmes will more likely be successful, an opportunity is missed with regard to community-driven initiatives, which can make a contribution to sustainable development. It can be argued that the lack of time and expertise to put together the SED plans is the main

reason for the missed opportunity in supporting strong initiatives outside of the mainstream non-profit sector.

One of the main concerns amongst project developers is the expectation raised in communities and the threat that this poses to the viability of the project (Baker & Wlokas, 2014:29). Socio-economic plans proposed to communities are more often three- to five-year limited plans, making it simpler to measure and report on, but often not suited to the dynamism and changing environments of rural areas (Conyers & Hills, in Theron, 2008:53). In addition, local municipalities who struggle with coordination and the expectations that they place on the renewable-energy industry make relations difficult. Some developers have indicated that they were at a loss as to the best way to deal with community aspects of their projects (Baker & Wlokas, 2014:33). This is particularly evident with the onset of strikes and labour action during the short-term construction period, begging the question: do change agents, their agencies and developers comprehend the local meaning-giving context of beneficiary communities? (Kotze & Kotze, in Theron & Mchunu, 2016:61-83; Theron & Mchunu, 2016:1-26).

Transparency and effective communication between companies and communities is crucial to ensure a positive relationship and the authentic acceptance and participation in a project (Baker & Wlokas, 2014:33). However, as there is no mandatory process for community engagement, and by extension an empowering participatory engagement, it is entirely up to the discretion of the company as to what extent communities are actually “participating” in decision-making (WWF-SA, 2015:3). Change agents, engineers and people from technical backgrounds often poorly understand principles of participatory development (Theron & Mchunu, 2014:111-128).

A study conducted by the WWF-SA indicates that the majority of IPPs employ development practitioners to undertake “consultative” approaches with communities in order to develop their SED plans (WWF-SA, 2015:27). As stated in Chapter 2, participatory community development theory states how problematic “consultative” and “involvement” methodology is, and that it does not actually speak to authentic and empowering participation (Theron & Mchunu, 2014:128; Theron, et al., in Theron & Mchunu, 2016:115-147). Due to the fact that the IPP project sites are decentralised and far from major towns, many of these communities are characterised by long-term unemployment and social marginalisation (see case study in Chapter 5).

The concern when initiating community programmes is their potential for sustainability. IPPs need to engage creatively with communities to ensure that long-term strategies for local community development are comprehensive (WWF-SA, 2015:5). The WWF-SA (2015:3) further suggests that, in order to maximise impact, IPPs need "... sufficient communication, collaboration between the relevant people and organisations and the capacity to ensure ... (the) approach is ... sustainable". Theron and Mchunu (2014:111-128) state that promoting sustainability at grassroots is a challenge; however, in order to enhance participation and sustainability at this level it is important to value the social capital and IKS of the community. As discussed in Section 3.3., in South Africa CDTs are often used to promote participatory agendas and seen as a form of collaboration for community development. The trustees of the trust, which often include the project company, legal, financial and professional representatives, and community stakeholders, would ideally engage in open and honest dialogue in order to achieve the best outcome for the community. This type of ownership structure has failed on many occasions. The reality of implementing participatory programmes on the ground is complex. Johnson (2003), in Theron and Mchunu (2014:111-128), notes three obstacles to participation; namely, structural, administrative and social. Structurally, the top-down development approach is at odds with a grassroots, bottom-up approach. Administratively, and in support of the top-down approach, the administrative structures are often rigid and not open to the flexibility required for participatory methodologies; finally, participation is hampered by social obstacles such as, "hopelessness, the culture of dependency, marginalisation, poverty, dominance and gender inequality" (Kumar, 2002:29; Centre for Public Participation, 2003 in Theron & Mchunu, 2014:111-128). The World Bank (cited in Theron & Mchunu, 2014:111-128) offers a warning on bridging the gap between participatory ideals and realities:

*"We do not offer these examples (participation experiences) as perfect models of how, for example, to plan a development project in a participatory manner. In fact, we believe that no 'perfect model' for participation exists. The form participation takes is highly influenced by the overall circumstances and the unique social context in which action is being taken".*

When considering development programmes within the REIPPPP, change agents, development practitioners, government officials and the IPP need to consider the meaning-giving context and apply participatory methodology accordingly.

#### **4.3.1 Dilemma of Change Agents in Techno-Social Procurement Programmes**

The South African procurement process is unique in its application of its programme. Many of the international companies that enter the market are unfamiliar with the principles and practice of BBBEE, and have cited that the community development aspects require a set of skills that they often do not have (Tait, 2012; Baker & Wlokas, 2014; WWF-SA, 2015). As stated by Wlokas, et al. (2012:49), “The renewable energy project developer teams are not community development experts. In fact, their usual business has very little to do with social development”. Internationally, the private sector may engage in community development but the engagement is informal and not an obligation driven by government policy (WWF-SA, 2015:14).

The economic development requirements are complex and IPPs have been thrown into what the WWF-SA (2015:14) terms a “techno-social learning experience”. As stated by Wlokas, et al. (2012:49), “this new interface between the traditional engineering project cycle in the renewable energy industry and the idea of a bottom-up, participatory community development process poses new challenges”. In many cases, community development consultants and community liaison officers have been hired to coordinate the local community development component of the contract. In addition, there are very few guidelines available in the procurement documents for project developers on how the community investment should be governed or spent (WWF-SA, 2015:24). Theron (2008:59-60) argues that central to an approach on holistic development is the need for an integrated approach, which requires both technical and social expertise to enable local ownership of development.

In 2014, the Community Development Resource Association (CDRA), a Cape Town based non-profit organisation, held a multi-stakeholder discussion on local economic development and socio-economic development strategies of IPPs and tabled the following challenges:

- Identification of beneficiary communities within the prescribed 50 km radius inevitably excluding ones outside of this radius.
- Identification of needs and priorities of the beneficiary communities is challenging if the proper procedures are not followed.
- Managing the relationship with local government and whether investment decisions need to include them.

The concerns raised by CDRA are reflected in three of Chambers' (1983:16-18; 22-23) six biases, which impede the change agent's, or "outsiders" contact with rural poverty. These include (i) project bias, (ii) person bias, and (iii) professional bias. The concentration of renewable energy project sites in specific areas has also resulted in the overlap of beneficiary areas. In terms of (i) project bias, change agents are then typically drawn to the areas where other projects may have already been initiated and not necessarily where there may be the greatest need. As noted by Chambers (1983:16), "Contact and learning are then tiny atypical islands of activity which attract repeated and mutually reinforced attention." This same criticism has been directed at the CSI industry where the well known and better established NPOs are more likely to receive funding, thereby discriminating against the lesser-known organisations who may have the greater need.

Concerning (ii) person bias, the change agent usually chooses who, or is directed towards who, they need to speak to when engaging with the community. In terms of SCATEC SOLAR's initial community engagement the participants included "elite" community members consisting of government officials, progressive farmers, community leaders, teachers and principals. The strategy was then made up of the voices of the more influential community members and not the poorest. As Devitt states in Chambers (1983:18), "The poor are often inconspicuous, inarticulate and unorganised ... It is rare to find a body or institution that adequately represents the poor in a certain community ... Outsiders and government officials invariably find it more profitable and congenial to converse with local influentials [sic] than with the uncommunicative poor". Lastly, in terms of (iii) professional bias, the change agent,

usually as a result of shortage of time and ease of introduction to new practices, chooses to work with people that are “better-off” in terms of education and wealth.

Apart from the construction period of the solar plant, SCATEC SOLAR’s first engagement with the beneficiary community in order to determine the socio-economic needs consisted of a three or four day “visit” to the community. The consequent limitation of time resulted in merely “scratching the surface” in terms of understanding the need. It is the researchers’ opinion that further investigation is required to reach the poorest of Hanover, the case study town.

Kothari, in Cooke and Kothari (2001:151), recognises that, “There is a general failing among development practitioners to recognise or acknowledge the capacity of individuals and groups to resist inclusion, resist projections about their lives, retain information, knowledge and values, and act out a performance and in doing so present themselves [the community participant] in a variety of ways”. The risk of professional bias of the change agent is that they are trained to see only what they need to and therefore underestimate the linkages and depth of the poverty that affects the community (Chambers, 1983:22-23; Kotze & Kotze, in Theron & Mchunu, 2016:61-83). Additionally, the participant is not given the reciprocal power to engage, observe and provide commentary on the actions of the change agent (Kothari, in Cooke & Kothari, 2001:145), particularly in the short period of “engagement” that is often development practice.

Chambers (1983:4) points out that the remoteness of rural areas usually requires “experts” from urban regions to structure the development of the rural beneficiary community. These “outsiders” are the ones who “... choose what to do – where to go, what to see, and whom to meet.” Furthermore, the introduction of the change agent to the community is wrought with an economic power dynamic that is difficult to counter. As noted by Kothari, in Cooke and Kothari (2001:143), “Development practitioners as interpreters of the social world further exercise control through the disbursement of aid and resources, which are allocated on the basis of external donor agendas and policies and not necessarily founded on the information gathered through [participatory] exercises.” In SCATEC SOLAR’s case the company was initially adamant on implementing infrastructure projects, which allowed for visibility and thereby the



impression that they are working in the community. However, these were not the biggest needs that were derived from the community needs assessment exercise.

#### **4.4 SUMMARY**

Designing private sector projects with a community benefit component is not a new approach in South Africa when considering the purpose of social labour plans in the mining industry. However, it is well documented that the mining industry has failed to bring about the economic well-being of its beneficiary communities. There are therefore inherent risks and challenges to overcome when considering the same type of model in the renewable energy industry – particularly in the early stages of planning, and relating to both sides: the project developer and the community (Wlokas, et al., 2012:48). A change in institutional support is required for a programme such as the REIPPPP to fully absorb the principles of participatory development, particularly if change agents are to utilise participatory methodology.

And as noted by Chambers (2012:1), “... development can be taken to mean good change, raising questions of power and relationships concerning who says what is good and who identifies what change matters – whether ‘we’ professionals do, or whether it is ‘they’ – those who are poor, marginalised, vulnerable and excluded”. The relationship between change agent and beneficiary is wrought with power dynamics and, as noted by Kotze and Kotze in Theron (2008:90), is not a “linear relationship” and should be viewed in a holistic manner (Theron & Mchunu, 2016:12). Rather it is biased towards the change agent, and the organisation he or she represents, who is assumed to possess more meaningful knowledge and be biased against the beneficiary, whose IKS is undervalued and not considered an important part of the initiation, planning, implementation and monitoring of its development.

Following the arguments developed in the preceding chapters, the ensuing Chapter 5 will present the case study of Hanover and provide an analysis of the SED programmes implemented by SCATEC SOLAR. In order to ascertain the degree of community participation in SCATEC SOLAR’s programmes, the researcher will analyse the

programme against the IAP2 seven core values (see sub-section 2.3.3.) and Arnstein's typologies (1969) (see figure 2.3.).

## **CHAPTER 5: CASE STUDY: HANOVER, NORTHERN CAPE**

### **5.1 INTRODUCTION**

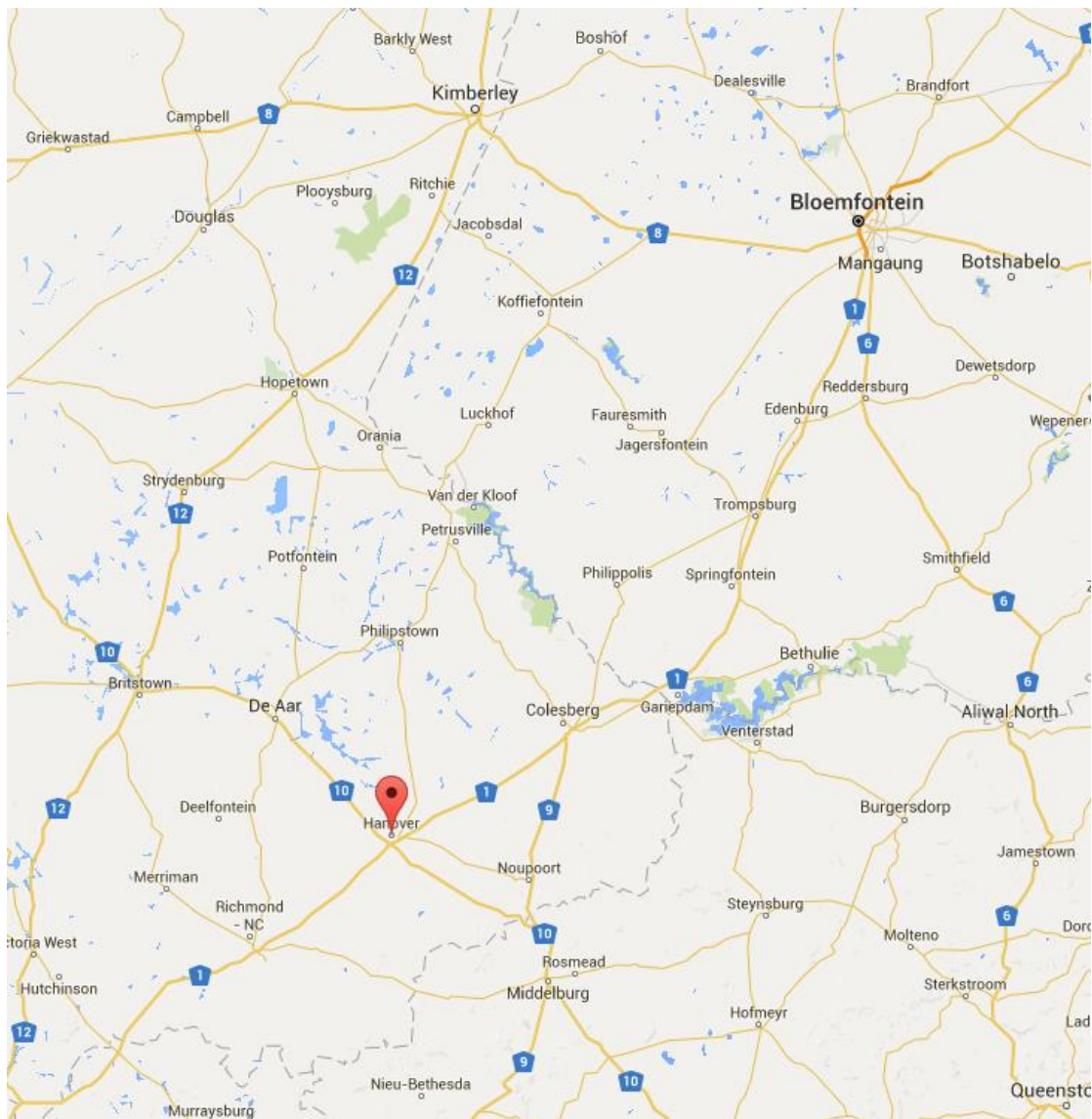
Poverty is both deeply systematic and entrenched in South African communities. Dire circumstance is even more endemic in rural communities situated on the outskirts of mainstream industry. The solutions required need to encompass not only job creation but also social, educational, health and economic factors. As noted by Davids (2005d:37), “For the poor, poverty is a multifaceted reality consisting of, inter alia, lack of power, income and resources to make choices and take advantage of opportunities”.

It is the purpose of this chapter to examine the social investment made by SCATEC SOLAR in Hanover in the Northern Cape, and to understand how SCATEC SOLAR aims to deal with the widespread poverty in the area through SED investment. Additionally, the analysis of SCATEC SOLAR’s intervention will include the extent to which participatory engagement was achieved. As noted in SCATEC SOLAR’s SED Management Plan for Hanover, the IPP aspires that the host community will value the renewable energy plant as an asset and a significant contributor to the social and economic wellbeing of the community and not only as a producer of environmentally sustainable electricity (SCATEC SOLAR, 2015).

Hanover, situated within a 50 km radius of SCATEC SOLAR’s Linde project site, was selected as the project’s beneficiary town. In order to understand the context within which SCATEC SOLAR is operating it is important to describe Hanover’s rural context. This description includes an analysis of the current socio-economic circumstances of the community, as well as their current assets as identified through the community-needs assessment conducted by the project staff and through secondary-source research from the 2011 Statistics South Africa census data.

## 5.2 HANOVER, NORTHERN CAPE

Hanover is situated in the Northern Cape, South Africa's largest province, which comprises a third of the country's land area. In stark contrast to its physical extent, the province only houses 2.2 per cent of the population, making it the country's least populous province. Large sections of the Northern Cape face significant development constraints as a result of their geography. The town itself is roughly a three-hour drive from the larger cities of Kimberley and Bloemfontein.



**Figure 5.1: Hanover in relation to the larger cities of Kimberley and Bloemfontein**

**Source:** <https://www.google.co.za/maps/place/Hanover>.

The characteristics of the towns described as having low development are ones with populations living in mountainous, desert, cold, highland and isolated areas with poor natural conditions, frail ecological systems, and insufficient natural resources. The residents of Hanover are faced with various difficulties as a result of their substantial distance from economic, industrial and cultural centres. This isolation has resulted in a low level of modernisation and socialisation, as well as poor living conditions and a high level of illiteracy (see Frank's centre-periphery model in Section 2.1).

The town falls within the 50 km radius prescribed by the Department of Energy as being a beneficiary of the Linde solar plant. The defining borders within which the IPP should execute its SED plans are problematic as these define a "community" that is more fluid. In Hanover a large percentage of workers are migrant farm workers and spend seasonal periods outside town. This has an impact on not only their family structures but also their ability to control and own any development that is introduced to Hanover. These groups of people, who can be considered the poorest of the poor, are thereby excluded from the definition of "community" (Cleaver, in Cooke & Kothari, 2001:53; Chambers, 1983:104).

Hanover is exemplified by economic constraints; the type of change required in these types of isolated towns is a significant boost in development as opposed to incremental growth. In the case that growth is incremental it will need to be directed towards specific economy-boosting activities. The labour force utilisation paints a dim picture for employment in Hanover and the municipality in general. The town resides within the Emthanjeni Local Municipality and unemployment levels in the municipality are alarmingly high at 28 per cent, with youth unemployment recorded at 37 per cent (Statistics South Africa, 2011). The limitations in industrial opportunities mean that many occupants seek opportunities outside the town.

The circumstance of Hanover is typical of many rural areas in South Africa as described by Chambers five interlocking disadvantages in Section 3.2. Poverty is a determinant factor for all the other disadvantages and contributes to them through lack of food, lack of access and lack of wealth. In Hanover the low productivity in relation to labour, particularly in the case of physically exhausting migrant labour and high unemployment, has led to physical weakness of households. The poverty in Hanover is also sustained through the town's isolation, both in terms of education and its

remoteness to metropolitan regions and the poor are also vulnerable as a result of lack of assets and their spatial and social circumstance. Lastly, they are powerless as a result of exclusion from decisions made by local government officials, farm owners, and other groups who exert control of resources and development, as described by Chambers' (1983) bias in sub-section 4.3.1. Additionally, one of Hanover's greatest social ills is a high degree of alcohol abuse. The consequence of alcohol abuse is a high number of vulnerable children due to the cross-generational effects of alcohol abuse and related domestic violence. Chambers (1983:117) states that this type of "unproductive expenditure", along with drugs, business failures and gambling, further exacerbates the consequence of poverty for the poor.

As previously argued in Chapter 4, the result of the degree of poverty is that the power dynamic between community member and the development practitioner or change agent – as a representative of the IPP – is extremely distorted. The promise of aid and economic support influences what information is shared, how knowledge is collated, who participates and how participants are empowered in the process (Kothari, in Cooke & Kothari, 2001:152), meaning that the nature of community participation, co-production and partnerships becomes complex.

### **5.2.1 Emthanjeni Local Municipality Integrated Development Plan**

The IDP is an essential element for participation with regards to the relationship between citizens and their local governments. Theron and Mchunu (2014:115) argue that it is the, "most ambitious public participation programme in South Africa." According to Gaventa, in Hickey and Mohan (2004:27), the two main ways in which to achieve deepened democratic governance is found in two approaches; firstly, by, "... strengthening the processes of citizen participation ...", thereby strengthening the "voice" of poor people; and secondly by strengthening the, "... accountability and responsiveness of [local government] institutions and policies through changes in institutional design, and a focus on the structures for good governance." Arguments provided by Pestoff state that the Government is currently "overextended" and as a result "democracy is stretched to its limits" (Bradsen & Pestoff, 2006:498). Regardless, the researcher believes that it remains important to build relevant capacity in local government as the custodians of development at a local level. According to Davids

(2008:35), the Constitution (1996) sees local government as having an important role in upholding democracy at local level, and one of the tools utilised to assure this role is the IDP. An IDP is a critical tool identified by the White Paper on Local Government (RSA, 1998a) and is a document that “... sets out the vision, needs, priorities, goals and strategies of a municipal council to develop the municipal area and its people during its five-year term of office” (Davids, 2008:35). However, as noted by Theron, et al. (2016:182), the IDP manages to only “inform” and “consult” beneficiary communities, as described in level 1 and 2 of the IAP2 (see Section 2.3.3) and Arnstein’s typologies (see Figure 2.3).

The Emthanjeni Local Municipality 2012/2013 stipulates the following development objectives for their council area (Emthanjeni IDP, 2012:2):

- Economic development
- Electricity improvements
- Youth development
- Availability of agricultural land
- Infrastructure development
- Improved health services
- Communication network
- Skills development
- Storm water drainage
- Small, Medium and Micro-sized Enterprises development
- Housing delivery

The municipality indicates that it reached these development goals through “participatory engagement” with the community, which included (Emthanjeni IDP, 2012:6):



- Council meetings, which occur four times a year
- IDP/budget input meetings in the wards
- Sectoral meeting with emerging farms, tourism sector, and Small, Medium and Micro-sized Enterprises
- Input received from the community
- Ward committee input

As argued in Chapter 4, the “participation engagement” claimed by the IDP is likely to entail community “involvement” and “consultation” more than authentic engagement where the “public have a say in decisions about action that could affect their lives” (Theron, 2008:117). This type of participation relates to the IAP2’s Spectrum of Participation level 1 and is neither authentic nor empowering (see previous sub-section 2.3.3). Linking to participation theory in Chapter 2, Craig and Porter (2001:104) argue that the top-down, donor-led type of participation, which also seeks to “inform” and “consult” often seeks out the elite of the community, who then own the participatory process and give them more power, further drowning out the voices of the actual beneficiaries and the poor.

Bekker and Leilde (2003:144) contend, “Over the past decade, local government policy in South Africa has proposed a greater degree of local democracy and a greater degree of local public participation”. Although, as Theron, et al. (2016:118-119) note, community participation at local government level remains ideological and is not underpinned by practical analytical methods or sound theory. The failure of participation by local government is detrimental to community development as this level of government is closest to the beneficiaries of development and should in fact be championing participation, particularly in the IDP and because the service delivery is encapsulated in the Batho Pele principles (GGLN, 2015:21) (see sub-section 2.4.2). The question raised as a result of these fundamental failures of participation is: who in fact owns the development process? As previously argued, many IDP’s methodology of community development is primarily supported by “involvement” and “consultation” practices and not authentic participation, thereby limiting the extent of empowerment



in the beneficiary communities. Theron and Mchunu (2016:1-26) unpack the problem with participation at local level by stating that, “local government participation facilitators are struggling to comprehend the analytical and practical linkage between the international points of departure with regards to the principles, model and strategy levels of authentic and empowering participation”. They further suggest a new approach is required to ensure co-produced planning partnerships (see previous section on P4s in 4.3).

The REIPPPP programme in South Africa can play a role in bridging the ideals of the IDP and sustainable development, as noted by Mogale (2003:233) who observes that, “Integrated development planning coincides with sustainable development principles, in the sense of being concerned about the need to harmonise local government economic growth and poverty eradication imperatives with safeguarding environmental integrity”.

## **5.3 FINDINGS**

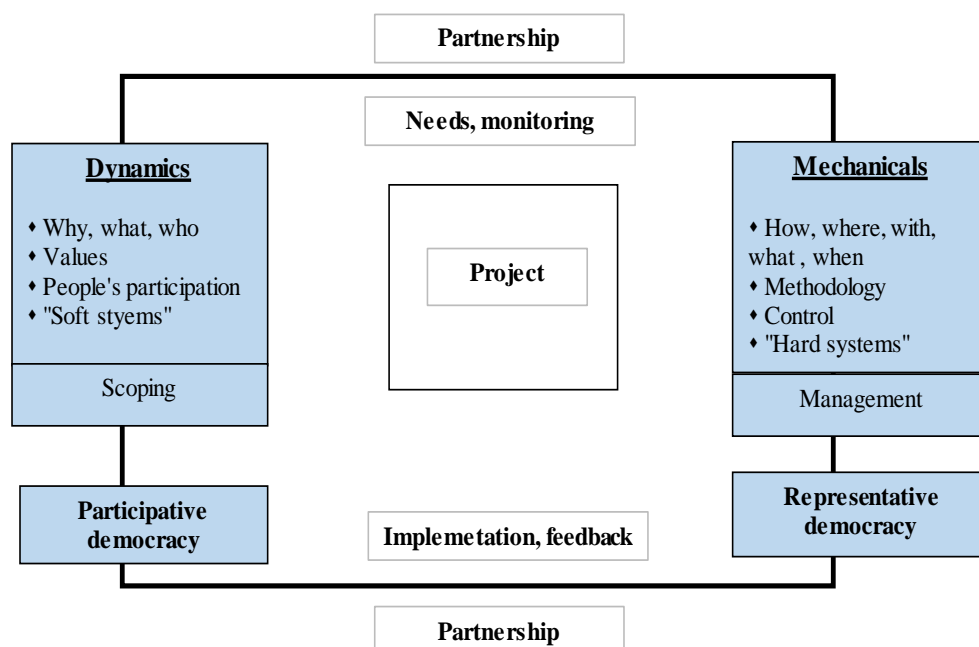
### **5.3.1 Data Gathering and Analysis**

This section explains the methodology of data gathering as mentioned in Chapter 1 (Section 1.8) of this study. The analysis of SCATEC SOLAR’s community development plan is based on a number of key interviews (see Annexure A – D), including with the economic development manager at SCATEC SOLAR; the development specialist or change agent tasked with strategising and implementing the community development plan; and key stakeholders in the industry including IPP project financiers, renewable energy commenters and government representatives. The interviews (annexures A-D) were supplemented by an analysis of SCATEC SOLAR’s community needs assessment report and the interviews which supplemented it (Annexure G) and the consequent five-year community development plan for Hanover.

### 5.3.2 The Community Intervention and Socio-Economic Strategy

SCATEC SOLAR's developmental approach to the SED and ED component of the REIPPPP was based on the thresholds in the request for proposal (RFP) as set out by government. These thresholds provide a broad spectrum for economic development and guidance in terms of quantitative targets or goals. The thresholds provide a holistic outlook for economic development but, as indicated by Respondent 2, the fact that there is no specific government guidance with regards to engaging with communities puts IPPs at risk of not achieving the thresholds. In terms of actual community engagement, SCATEC SOLAR chose to use an external service provider or change agent with expertise in the field of community development. This is problematic in terms of "outsiders" understanding the local context as argued in Section 4.3.1 by Chambers (1983). Context is defined as, "... a holistic concept with interconnected dimensions, of which the most important one is the 'ecology of ideas' in which past experience, perceptions, world views and beliefs are relevant." (Kotze & Kotze, in Theron & Mchunu, 2016:61-83).

Brown depicts this holistic PMT (see sub-section 2.2.1) in what he terms the "society-project management partnership" in the following way:



**Figure 5.2: Brown's society-project management partnership**

**Adapted from:** Theron and Mchunu (2016:43).

The researcher argues that the timeframes within which the IPP needs to develop and present its SED plan to government does not allow for the development of such inclusive project management teams, as shared by Brown (ibid). Furthermore, the timeframes also create bias as to the depth of engagement with the community and the type of projects identified. Chambers (1983:48) emphasises this by stating that, “Project and programme identification ... have [their] time schedules; information must be gathered under pressure especially where projects or programmes have political priority.” Furthermore, due to the need to deliver rapid results and meet IPP deadlines the change agent often claims “consulting” with – and “involvement” of – the beneficiary community as sufficing and participatory (Theron, 2008:47). The researcher suggests that, for an approach such as Browns’ to be viable, a government-wide systemic change in the REIPPPP is required (see Recommendation 6.2.3).

SCATEC SOLAR’s five-year community development plan proposes a people-centred, values-driven strategic framework, articulates the proposed theory of change, proposes a long-term twenty-year strategy implementation plan and details a performance monitoring and evaluation matrix. The SED plan is supported by two types of interventions that will run in parallel, these are: (i) leveraging assets; and (ii) strengthening agency. In terms of leveraging the existing assets, this intervention is based in asset-based research and is premised on building interventions and programmes that will strengthen the assets and resources that the community already have (Mathie & Cunningham, 2003:474-486). The SED plan stipulates that SCATEC SOLAR will initially invest in educational material, public art and youth activation projects. These are specific investment areas that were identified through a community needs assessment and it is expected that these types of projects will engender a greater appreciation by the community of its own strengths and resources. Secondly, strengthening community agency will be borne from helping the community leverage and grow its existing assets and will be fortified by the formation of a SED Community Advisory Committee. This committee will include individuals from the community, the IPP and the development change agent and will be mandated to ensure that SCATEC SOLAR’s SED management plan remains people-centred and focused on the desires of the community, as depicted by the theory covered in sub-section 2.2.1. In addition, it will also serve as a point of departure for community members to engage and participate in its activities. This type of committee can be likened to Theron and Mchunu’s

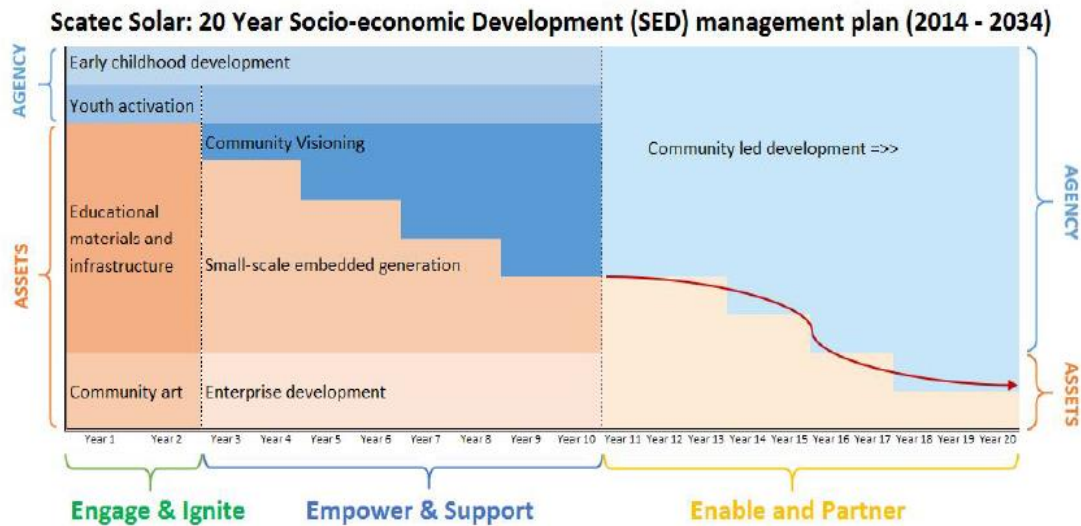
(2016:183) P4 principles (described in Section 4.3), which encapsulate the principles of co-production.

The IPP have proposed a strategy that will follow a progressive three-stage process with the aim of leading to social and economic well-being of and by the community itself. These stages are:

1. **Engage and ignite:** SCATEC SOLAR engages with key institutions within the community, and seeks to ignite action and ownership by community stakeholders towards their own socio-economic development.
2. **Empower and support:** SCATEC SOLAR empowers the community to become co-producers of its own needs, while supporting the community to define and articulate its own vision, and to model responsible and predictable progress towards attainment of its vision.
3. **Enable and partner:** SCATEC SOLAR partners with the community to help enable change, and attain a development vision and plan that is owned by the community.

(SCATEC SOLAR, 2015:10)

The two types of intervention (assets and agency) and the three stages above are mapped out over a twenty-year lifetime. IPPs generally sign a 15 to 20 year commitment with the Department of Energy once awarded preferred bidder status. The timeline is represented as follows (SCATEC SOLAR, 2015:11):



**Figure 5.3: SCATEC SOLAR 20-year SED implementation plan (2012-2034)**

**Source:** SCATEC SOLAR (2015).

SCATEC SOLAR have also developed a performance matrix against which to measure their SED plan and have identified their main goal; namely, that by 2030 the community of Hanover becomes a viable community, with access to quality education and health services to all members regardless of physical or socio-economic status.

## 5.4 ANALYSIS

The level of participation of the SCATEC SOLAR's SED strategy will be analysed against the seven core values of the IAP2, as discussed in sub-section 2.3.3 (IAP2 Core Values of Public Participation, 2007) and Arnstein's typologies (1969) (Figure 2.3). These principles are internationally recognised and have been used extensively in the planning of participatory engagements (Theron, et al., 2007:15). The three-level IAP2 Public Participation Toolbox is presented in Table 5.1, below:

**Table 5.1: Participation strategies based on IAP2**

LEVEL 1	LEVEL 2	LEVEL 3
Participation strategies aimed at “ <i>informing</i> ” the community	Participation strategies aimed at “ <i>consulting</i> ” the community	Participation strategies aimed at “ <i>empowering</i> ” the community
<b>Legal notices.</b> To inform the community of a proposal or activity that is required by law to be displayed at particular locations for a specific period, e.g. a display at the local library.	<b>Community meetings.</b> Formal meetings in which municipal officials/councillors/consultants meet the community and other stakeholders in a public place, e.g. a community hall; this method should entail an open discussion and question and answer session (probably the most common strategy for participation).	<b>Workshops, focus groups and key stakeholder meetings.</b> Small group meetings with stakeholders in an interactive forum to share and provide information based on mutual learning about a particular topic/issue; these meetings may be preceded by presentations by the different stakeholders.
<b>Advertisements.</b> Paid advertisements in national and community newspapers to inform the community of a proposal or activity and the opportunity for participation.	<b>Community hearings.</b> Similar to community meetings but more formal and structured.	<b>Advisory committees and panels.</b> A group of stakeholders meet to advise the decision makers and debate specific issues; these groups often comprise community leaders, NPOs, CBOs and professional experts or consultants.
<b>Magazines, news articles and press releases.</b> Stories or articles that provide information about a proposal or activity.	<b>Open days and open houses.</b> Stakeholders are given the opportunity to tour a site or project and/or information is set up at a community location to make information accessible to stakeholders.	<b>Task force.</b> A group of specific stakeholders or professionals that is formed to develop and implement a specific project or proposal.
<b>Exhibits and displays.</b> Information provided in an accessible location to help raise the community’s awareness of issues, municipal campaigns or projects.	<b>Central information contact.</b> Designated contact persons are identified as official liaisons/spokespersons for the community and media. These people can be appointed as community liaison officers.	<b>Consensus conferences.</b> Meetings or workshops with the purpose of reaching an agreement or resolving a conflict on particular issues.
<b>Technical reports.</b> Special studies, reports or findings made accessible to the community at libraries or electronically on a website.	<b>Field offices or information centres.</b> Specific offices or multipurpose centres, which disseminate information and respond to enquiries from the community (decentralised offices).	<b>Imbizo.</b> Interactive and participatory governance aimed at partnership between government and other stakeholders.

<b>Website.</b> Internet websites that contain information, announcements and documents on a specific issue or programme/project.	<b>Comments and response sheets.</b> Questionnaires distributed to the public to obtain information on the community's concerns and preferences and to identify key issues.	<b>Indaba.</b> Forum for open and frequent dialogue between stakeholders to identify and address issues of common concern.
<b>Field trips.</b> Site tours to inform the community, the media and other stakeholders of a specific issue or programme/project.	<b>Surveys and polls.</b> A strategy through which specific information from a sample of the community or specific stakeholders is gathered, analysed and presented.	<b>Participatory rural appraisal/participatory learning and action.</b> Appropriate people and issue-centred research methodology through which the people concerned conduct their own research in partnership with the researcher or change agent
<b>Press conference.</b> Question and answer sessions for the media and community to obtain and share information about a project, proposal or planned future activity.	<b>Interviews.</b> One-on-one meetings with the community, or a selected sample of specific stakeholders or representatives based on semi-structured interviews and open-ended questions; data is analysed and feedback is given to the community to elicit further inputs.	
<b>Radio and television talk shows.</b> The presenter aims to elicit information about a project or proposal on behalf of the community through questions posed to change agents or other representatives.	<b>Telephone hotlines.</b> Telephone numbers of officials supplied to the public in printed format by hand or by mail; these hotlines should be staffed by officials who know the municipal context or programmes/projects; calls must be recorded and feedback given to callers.	
<b>Expert panels.</b> Community meetings in which municipal officials/councillors/consultants provide information, and the public and other stakeholders are given an opportunity to pose questions.	<b>Electronic democracy.</b> This strategy refers to Internet discussion rooms, questionnaires, telephones voting and online communication; records must be kept and feedback given to the community.	

**Source:** Adapted from Theron (2008:113-114).

The participation strategy used by any organisation usually represents an “appropriate mix” of the above, representing the level 1: “informing”, level 2: “consulting” and level

3: “empowerment” (Theron & Mchunu, 2014:121-127). Although the IAP2 principles were not utilised directly when SCATEC SOLAR drafted their strategy, it is possible to test their strategy against the principles of IAP2 (see sub-section 2.3.3). In regard to the terms of SCATEC SOLAR’s SED strategy, the following can be analysed using IAP2 and Arnstein’s typologies (1969) (Figure 2.3):

**1. The public should have a say in decisions about actions that affect their lives.**

Analysis of the community needs process conducted by the development specialist or change agent and SCATEC SOLAR (Annexure E and G) it is determined that the Hanover community were “consulted” with and therefore given the impression that they have a say. Consequently, this process actually holds very little power for the grassroots individual.

This type of consultation can be equated to Arnstein’s fifth typology “consultation” which states that the public is free to give its opinion but has no guarantee that these opinions will be considered. It is therefore a degree of tokenism.

**2. Participation includes the promise that the community’s contribution will influence the decision.**

As deduced by Brown’s society-project management partnership (see figure 5.2 above) the researcher has argued that the timeframe within which the IPP has to develop socio-economic development projects does not allow for inclusive community engagement. The projects selected were as a result of a three-day community needs assessment conducted by the development specialist or change agent (Annexure G). Therefore, it can be deduced that of the specific SCATEC SOLAR projects that have already begun implementation stage in Hanover, it is evident that the community’s “involvement” is more common practice than their “authentic” participation.

This type of consultation can be equated to Arnstein’s fifth typology of “consultation”, which states that the public is free to give its opinion but has no guarantee that these opinions will be considered. This is therefore a degree of tokenism.



### **3. The participation process communicates the interest and meets the process needs of all participants.**

The main concern with regards to this principle is whether the right people have been included in the participatory process. The researcher has observed through the interview with the Economic Development Manager (Annexure B) that SCATEC SOLAR conducted their community needs assessment with the “elite” and well known of the community, therefore compromising the authenticity of the findings with relation to meetings the needs of all participants. These “elite”, as stated in the community assessment report (Annexure G) include, principals and teachers; the local clinic; local police service; NGO and church groups; the local municipal manager; and prominent community members.

This equates to Arnstein’s fourth typology of “placation”, in which only a select part of the community is chosen to form part of the participatory process, thereby resulting in a degree of tokenism.

### **4. The participation process seeks out and facilitates the involvement of those potentially affected.**

The community needs assessment was not explicit in reaching the poorest of the poor. The researcher determined this through the interview process with SCATEC SOLAR (Annexure B) and analysis of the community needs assessment report (Annexure G). This equates to Arnstein’s fourth typology, “placation”, in which only a select part of the community is chosen to form part of the participatory process, and Arnstein’s sixth typology, “informing”, as the poorest of the poor receive the information in a one-way top down manner, having not been given the opportunity to participate at all. Both typologies represent a degree of tokenism.

### **5. The participation process involves participants in defining how they participate.**

Through analysis of the community needs assessment process (Annexure G) it was determined that it was not possible for the beneficiaries in Hanover to define how they

could participate. The beneficiary was informed of the social investment that would be taking place in the community and that process, although claiming to be participatory, was in fact restrictive in the manner in which it was conducted. The researcher has observed increased participation from the beneficiary community, however the participants do not define how they participate.

This can be equated to Arnstein's fifth and sixth typology, whereby community members were either informed or consulted with no guarantee that it would affect the decision-making process. Both are therefore a degree of tokenism.

#### **6. The participation process communicates to participants how their input affected the decision.**

In the process of communicating the strategy developed to the community, a number of meetings were held between SCATEC SOLAR, the development specialist or change agent and the local municipality and representatives of official offices. This was assessed from discussion with the management at SCATEC SOLAR (see Annexure B). The communication with other members of the beneficiary community, such as principals and community leaders, was conducted once a programme had started. This did not afford the community a chance to give their input to the proposed SED programme. This equates to Arnstein's fourth typology of "placation", as only certain members of the community were selected to comment on the SED plan, notably those in existing positions of power, such as the Emthanjeni Local Municipality. This is therefore considered a degree of tokenism.

#### **7. The participation process provides participants with the information they need to participate in a meaningful way.**

According to SCATEC SOLAR (Annexure B), information is shared with the community in the form of newspaper and other print media, site visits by the change agent and community meetings. All these forms of communication are problematic in that they are not a two-way process, making it difficult for the individual to debate, share their experiences or contribute. This is equated to Arnstein's sixth typology where

beneficiaries are informed in a one-way, top-down manner, which equates to a degree of tokenism.

The “appropriate mix” of community participation strategies (see Table 5.1) used by SCATEC SOLAR utilises mostly “involvement” and “consultation” methodology as described by the IAP2 participation strategies and assessed by Arnstein’s (1969) typologies. Arnstein equates this type of community participation to a degree of tokenism, and considers it as not the ideal degree of public control and power (see Figure 2.3). The researcher has observed that, even though the SCATEC SOLAR SED plan claims to follow a “bottom-up” approach to community, the actual implementation is more representative of the status quo type “top-down” approach. This type of approach therefore does not transform bureaucratic processes and is not inclusive of indigenous knowledge (Cooke & Kothari, 2001:16). The researcher assesses that SCATEC SOLAR have followed development practices that have produced “consultative” community results as opposed to authentic “empowering” practices. On the basis of the analysis presented above the strengths and weaknesses of the SCATEC SOLAR plan is detailed below.

## **5.4.1 Strengths of the SED Plan**

### ***5.4.1.1 Long-term strategic outlook***

SCATEC SOLAR have described a plan that will span the next 20 years. At this stage the share of revenue allocated to Hanover is 1.11 per cent, amounting to R400 000 per quarter. This amount of money flowing to the community on a regular basis has the potential to make a significant contribution to socio-economic development and it is imperative that the plan is well structured. The SCATEC SOLAR SED plan aims to achieve two main circumstances for Hanover, namely that:

1. Members of the targeted communities are empowered, proactive and motivated in defining their future
2. Members of the targeted communities move from being consumers to co-producers.

The intended strategy takes a long-term view of community development, which is to be implemented over the course of the twenty-year investment in the community. It is also clear that the intention is for the community to become “self-sustaining” in terms of managing the assets under ownership in the form of the CDT.

As noted in the IPP’s SED development plan (SCATEC SOLAR, 2015), “The first step on the road to empowering communities to become agents of their own change is to enable the development of social and economic opportunities for all”. SCATEC SOLAR’s approach can be compared to Oakley’s (1991:7), distinction of the concept of participation as *a means to an end* (passive participation) or *an end in itself* (active participation). Comparatively, participation as a means and/or an end can be shown as follows:

**Table 5.2: Participation as a Means vs. Participation as an End**

<b>PARTICIPATION AS A MEANS</b>	<b>PARTICIPATION AS AN END</b>
Implies the use of participation to achieve some predetermined goal or objective.	Attempts to empower people to participate in their own development more meaningfully.
Attempts to utilise existing resources in order to achieve the objective of programmes and projects.	Attempts to ensure the increased role of people in development initiatives.
Emphasises achieving the objective rather than the act of participation itself.	Focuses on improving the ability of the people to participate rather than just achieving the predetermined objectives of the programme and project.
More common in government programmes and projects where the main concern is to mobilise the community and “involve” them in improving the efficiency of the delivery system.	Finds relatively less favour with government agencies. NPOs agree with this viewpoint in principle.
Generally, a short-term process.	Generally, a long-term process.
Appears to be a passive form of participation.	Relatively more active and dynamic than participation as a means.

**Source:** Oakley (1991), adapted from Theron and Mchunu (2014:127).

When assessing SCATEC SOLAR’s twenty-year development plan against Oakley’s comparative analysis above it shows that the IPP has realised some participatory goals in that the plan is long term; it is underpinned by values held by NPOs and, at least in

theory, it does encompass the ideals of the community eventually becoming “co-consumers” and “co-planners” of their development (Theron & Mchunu, 2016:151). However, opposing this is the fact that the SED plan does aim to achieve predetermined goals and objectives, as recommended through the community needs assessment process – itself problematic when referencing the dilemma of change agents in Chapter 4 of this study. In this regard, Theron and Mchunu (2014:132) state that, “... participation facilitators should not engage with communities with a ‘toolbox’ already filled with tools (participation strategies which will be used (top-down approach)”. The plan also emphasises the objectives at this stage more than the actual act of participation itself; and, lastly, these objectives are to be achieved through utilising existing resources and not necessarily ensuring the increased role of people in development initiatives. The latter point takes into consideration the power dynamics that exist in communities, both in terms of individuals and projects and how these are continuously reinforced by change agents, as discussed in Section 2.2.1.

SCATEC SOLAR uses the correct participatory terminology and underpins its strategy in participation methodology. The SED strategy proposes, "... developing a strategy that is based on the assumption that community empowerment unlocks existing potential and ensures sustainability and vibrancy of any community, using and growing the community's asset base. It is rooted in the belief that communities are producers of their own lives, with a sense of dignity and agency". In addition, SCATEC SOLAR sets broad-based goals of engage and ignite; empower and support; and enable and empower, which imply participation as *an end in itself* rather than *a means to an end*. However, the practical reality does not mirror the ideals set by SCATEC SOLAR, as the methodology utilised is more top-down than participatory. These contrasts are presented in the following section.

## **5.4.2 Weaknesses of the SED Plan**

### ***5.4.2.1 Community participation***

Community participation in the SCATEC SOLAR socio-economic development plan was facilitated through the following participation methodology:

- A public mass meeting coordinated by the local municipality.

- The appointment of a community liaison officer during construction phase.
- A needs assessment that incorporates various stakeholders.
- Presentations to local municipality.

However, methodology utilised by SCATEC SOLAR is representative of standardised participatory methods that do not consider empowerment. McWhirther (1991:222-227), in Davids (2005b:21) defines empowerment as:

*“The process by which people, organisations or groups who are powerless become aware of the power dynamics at work in their life context, develop the skills and capacity for gaining some reasonable control over their lives, exercise this control without infringing upon the rights of other and support the empowerment of others in the community”.*

Community engagement is influenced by the wants and needs of the local municipality, which has a detrimental impact on the power dynamics of the engagement and has an effect on the authenticity of community development processes.

Furthermore, the issue of extrapolating the “elite” and narrowing the interviews to these individuals, usually in the interest of time, presents a distorted image of the community. Theron, et al. (2016:23-24) emphasises the importance of acknowledging IKS of the beneficiary group and that their own knowledge and systems might disagree with the interventions of the change agent. Potter, Bicker and Sillitoe (2003:17) agree with Theron, et al. (2016) that the change agent needs to acknowledge the role of key stakeholders in a beneficiary community as they have an understanding of specific local knowledge. The importance of the initial phase of planning cannot be overemphasised and change agents need to, “... depart from an incremental and cyclical planning process to one in which the project stakeholders participate directly in problem identification, project conceptualisation, planning, and implementation and monitoring” (Theron, 2008:59).

Although set out with the best intentions, the SCATEC SOLAR community engagement process is not considered to be participatory. Post the initial engagement, SCATEC SOLAR have incorporated improved participatory methods, such as the formation of the SED Community Advisory Committee and regular visits by the development specialist or change agent to the community. However, due to the fact that the initial strategic intent had already been established, the pursuant power dynamic between developer and community beneficiary had already been determined. The community are unable to control or direct their own development, but rather have accepted and gone along with the interventions suggested by the change agent as analysed in Section 5.4.

#### ***5.4.2.2 Job creation***

The most pertinent issue raised by the Hanover community during the community assessment interviews conducted (see Annexure E), is the high level of unemployment. The reasonable expectation when an investment is introduced into a community is that of job creation. Consequently, the REIPPPP programme is set up in such a manner that the construction phase can absorb a number of unskilled workers from surrounding communities.

The renewable energy industry is, however, not labour intensive and after the construction period has been completed approximately two per cent of the workforce is retained for operational and maintenance requirements. The expectation created through temporary work and the reality that this industry cannot create permanent employment is often misunderstood amongst community members and local politicians and is a contentious issue (WWF-SA, 2015:3). The high unemployment rate and the inability of the IPP to absorb more workers have the potential to derail community relations.

#### ***5.4.2.3 Communication***

The dual challenge of beneficiary communities who feel isolated from the decision-making process of their local government and the perception that SCATEC SOLAR is

the panacea to poverty and inequality faced by community members has placed the IPP in a difficult situation. The manner in which SCATEC SOLAR communicates with the community needs to be carefully considered and value needs to be placed on the IKS of Hanover people.

As previously stated, SCATEC SOLAR has to-date, engaged communities on a “consultative level”, which participatory theory highlights as not empowering. The company is attempting to remedy this initial lack of empowering engagement through setting up a community forum in Hanover, which would include a number of community stakeholders. The aim of the forum is to allow the community the opportunity to voice their needs, thereby ensuring that these needs are not dictated to them by “outsiders” (Chambers, 1983:2-4). This type of “multi-stakeholder spaces” are, however, not without their challenges and Cornwall, in Hickey and Mohan (2004:75-88), reminds us that it is important to note that even at multi-stakeholder platforms the “spaces” for participation are not neutral. Power relations, even in participatory spaces, can create boundaries amongst the participants as a result of their relation outside of the participatory space. This is particularly evident in smaller communities, as Cornwall (in Hickey & Mohan, 2004:76) notes: “While the nature of public representation within these institutions varies enormously, ‘invited spaces’ assemble people who might relate differently if they met in other settings, who may be seen ... as representing particular interests, and who generally have rather different stakes in, accountabilities for and responsibilities following from any given outcome.”

This “multi-stakeholder space” would also be an opportunity for SCATEC SOLAR to share their strategy with the community who are interested, or who require clarity. A clear strategy, transparently communicated, will also help host communities better understand the benefits and opportunities of having SCATEC SOLAR as a long-term partner in development. As previously explained, Theron and Mchunu (2016:14-16) describe this type of “co-production” relationship as the P4 principles, in which the value of all participants, and both the “expert” and the “grassroots” beneficiary is valued (see section 4.3. on discussion of P4). The P4 would be strengthened if the community were given the opportunity to “co-plan” and continuously monitor programmes.

It is yet to be seen how the community forum would be managed and how the community might utilise this participatory space. Change agents should also use this



space to engage with the indigenous knowledge of beneficiaries and adopt a “learning-in-partnership” approach (Theron & Mchunu, 2016:11-17). For now, it is a good way to create synergies between the community and the IPP.

#### ***5.4.2.4 Lack of communication and coordination between different spheres of government***

The difficulty for many renewable energy companies when it comes to developing and investing in communities is a lack of understanding of government’s vision (WWF-SA, 2015:2). The lack of vision has meant that companies employ their own understanding when implementing their community initiatives, including the setting up of CDTs and various other socio-economic programmes. The risk imposed by the lack of government guidance regarding impact monitoring has led to the unintended consequences of duplication in communities, miscommunication between the IPP and stakeholders, and a general lack of understanding of the local government sphere.

Government has also failed to communicate with local municipalities and rural communities on the REIPPPP programme and the potential and realities of related community development aspects (WWF-SA, 2015:4). This lack of clarity has led local politicians to interpret the programme inaccurately and impose their own ideas on the IPPs.

#### **5.4.3 Community Development Trust**

To ensure ownership of their development by the beneficiary community, change agents need to withdraw from the community at some stage. Burkey (1993:70) warns that, “once a successful participatory development process is initiated, it should become a continuous process with no visible end to it.” In South Africa one of the tools used to ensure ownership is community development trusts (CDTs). The CDT structure has come under a lot of scrutiny with regards to the REIPPPP, and interviewees are questioning its validity. The structure is being used to ensure community ownership. The researcher likens these types of structures to local community organisations identified by Esman and Uphoff in Theron (2008:129) in that they are local

development structures that share characteristics with that of local government but are more an extension of the community than of government. Burkey (1993:68-70) also states that progression of these types of organisations should lead to change agents becoming less prominent and the local beneficiaries eventually taking full control of programmes and projects.

Currently SCATEC SOLAR has three CDTs in place to cater for three different project sites. The Hanover Community Trust has so far not received any dividend flows and is therefore still dormant. The timing of trust setup and first distribution of funds is also a problem for community relations, as argued in Section 3.3.

The researcher has observed that the trustee selection phase is political and has affected the development process in Hanover. Political interest takes precedence over community needs, and identifying authentic community representation has been an issue. The trustee selection process was conducted through mass meetings wherein community members chose their representative. However, it later became evident that the person chosen had strong connections to the local municipality and they were therefore removed from the position. As it stands the trust still has no community representative.

The timing of trust setup is also problematic. The trust was set up during the construction phase of the Linde solar plant; however, the trust is obligated to pay off its shareholding loans before dividend flows can be utilised for community benefit. No government structure looks after trusts and their governance and there is very little accountability in terms of the fiduciary duties of trustees. It also became apparent that trust deeds are not readily shared with community members, which means the objects of the trust are not fully understood by the people who the development is supposed to benefit. Community members who may not be well versed in trust administration need to understand how to hold a trust accountable to the activities set out in its trust deed. Interview Respondent 2 (2015) indicated that the CDT component is the biggest risk to the business because if this structure is not correctly managed it could lead to community unrest and potential closure of the solar plant.

#### 5.4.4 Engaging with Local Government

The South African public service is structured against the principle of “Batho Pele”, or “People First”, indicative of placing the end user as the most important consideration of public service work (RSA, 1997). The White Paper on Transforming the Public Service, encourages innovation in the public service and states that:

*“It is essential to the success of Batho Pele that the commitment, energy and skills of public servants are harnessed to tackle inefficient, out-dated and bureaucratic practices, to simplify complex procedures, and to identify new and heftier ways of delivering services”.*

(RSA, 1997)

Gaventa (2004:25) argues that participation is increasingly seen not only as the community participating in development projects but also as an important element of democracy and that it is, “... related to rights of citizenship and to democratic governance”. This view is supported by Hamann (2003:32), who concurs that the development literature supports the link between participation and the broader democratisation of local governance. There is a widening gap between local government and the communities that it is supposed to serve. In Hanover, the lack of provision of certain services is juxtaposed against the wealth of elected officials, predictably resulting in mistrust of the authorities. The researcher further poses that the introduction of the REIPPPP into these types of communities has given the municipal officials an opportunity to remedy their own failures through directing funding to the development mandated by the municipalities IDP. Gaventa (2004:29) also places participation squarely in the domain of rights and states that, “Extending the concept of participation to one of citizenship also recasts participation as a right, not simply an invitation offered to beneficiaries of development”. Considering participation in this way changes the power role between the change agent and the beneficiary and between the local municipality and the community. Heller, in Gaventa (2004:32-33), studied the democratic processes in Kerala, Porto Alegre and South Africa and found that participatory reforms in local governance can result in:

- Creating new associational incentives and spaces.

- Allowing for a continuous and dynamic process of learning.
- Promoting deliberation and compromise.
- Promoting innovative solutions to tensions between representation and participation.
- Bridging the knowledge and authority gaps between technocratic expertise and local participation.

The limited capability of government is not only reflected through their lack of participatory development processes but also through unrest in civil society. As stated by Davids (2008:36), the protest action from communities is indicative of two issues: “communities consider local government to be the delivery arm of government in South Africa, and poor communities feel betrayed because their active participation in government-provided spaces for participation, such as municipal elections, ward committees and IDPs, did not result in the promised ‘development’”.

Furthermore, unrest is not only expressed by civil society but also by public servants themselves who are often frustrated with the archaic and inefficient means of service delivery. One of the main issues related to local municipalities being able to deliver relates to capacity at local government level. In terms of the REIPPPP this is reflected in the poor manner by which local officials have been able to fully engage with the programme and manage the collaborative process. Lack of coordination between national, provincial and local government has been cited as the main reason why management at a local level has remained a challenge. The fact that during the start of the bidding process IPPs had to contract separately with local government for the purposes of land, and then with national government for the overall contribution to electricity generation indicated not only a failure in coordination but also a lack of communication. Because national government did not act as the custodian of the programme there was no guidance provided for local municipalities. Particularly in Round I, IPPs had to educate the local government on the REIPPPP process. The municipality lacked knowledge in the REIPPPP process and the ways in which to manage this effectively for the benefit of local communities as the custodians of

participatory development at a rural level. The IPP lacked knowledge of rural communities and the most effective means by which to include them in the REIPPPP. Unfortunately, this is a missed opportunity as the programme has now run for almost five years. Both parties are now more knowledgeable about the roles and responsibilities and potential benefit of the REIPPPP. However, the power dynamic has now shifted in favour of the municipality and, unfortunately in some instances, this has been abused for political purposes. SCATEC SOLAR regards the Emthanjeni Local Municipality as being proactive in attempting to understand the programme and build a relationship. The municipality has adapted as the bidding rounds have progressed and more experience has been gained with regards to the REIPPPP.

The relationship between the change agent and local government is also a skewed one as a result of their different mandates. Theron (2008:52) explains that, “Political leaders are elected to maintain their positions during the short term, while change agents focus on long term results.” In order to include and in some cases appease the local council, SCATEC SOLAR has held numerous meetings with local representatives to present their socio-economic plan and to get input and feedback from the local government perspective. The argument remains that the power dynamic in these types of meetings often derail the process of development and not include the actual beneficiary; in addition, relations with local government will need to be rebuilt once a new councillor takes office, often resulting in the stagnation or elimination of development programmes. The researcher would pose that in addition to technical expertise, the local government officials require re-training or capacity building with regards to inclusive grassroots development in an aim to achieve sustainable development. Furthermore, the researcher concludes that proper engagement with local government by provincial and national government has been lacking within the REIPPPP.

## **5.5 SUMMARY**

SCATEC SOLAR has drafted an SED management plan that says all the right things in terms of participatory development and aims to ultimately see the community as “co-producers” and “co-consumers” of their own development. However, when assessed against the IAP2 and Arnstein’s typologies, the IPP’s plans fall short of achieving participatory ideals and rather achieve a degree of tokenism.

At this stage it is not possible to measure the success of some of the outlined targets, as the impact will only be determined over a long period. However, it is possible to determine the participatory aspects of the initial engagement with the community. SCATEC SOLAR has fallen short in terms of participatory engagement in its initial phase of engagement. This is most likely a result of limited knowledge on the aspects of participatory community development; limited timeframes as outlined in the REIPPPP, leading to rushed proposals for the SED components; limited knowledge of holistic planning; and generally a lack of implementing policy at local government level for participatory planning. It is important to remember that the Hanover community needs to be considered within a holistic approach from planning, to implementation and reporting. As a result, sustainable integrated rural development has not been reached in SCATEC SOLAR's social investment in Hanover.

The researcher does, however, note that SCATEC SOLAR shows a commitment to participatory development in their long-term development plan through the drafting of a performance matrix and in time the authenticity of this commitment can be measured against the specified outcome indicators.

## **CHAPTER 6: RECOMMENDATIONS AND CONCLUSION**

### **6.1 INTRODUCTION**

As indicated in Section 1.3, the main purpose of this study was to determine whether SCATEC SOLAR's socio-economic investment in Hanover was developed with authentic participation and sustainability in mind. Based on the findings and analysis of the preceding case study analysis in Chapter 5, it is evident that SCATEC SOLAR has fallen short of reaching participatory ideals, particularly in the initial phases of their SED investment. The ideals of sustainable and integrated rural development will not be achieved as a result of community investment. The IPP has, however, included participatory methodology in their long-term plan for the Hanover community and, although the impact of this cannot yet be determined it would be helpful to heed the practices of participation. The researcher will present recommendations that can assist SCATEC SOLAR to maximise their socio-economic investments through more participatory, co-produced and co-managed means of development. Based on the findings of this research, several suggested recommendations were identified regarding how community participation in development projects of the REIPPPP can increase the sustainability of these projects. The recommendations, although specific to Hanover, can be utilised by other IPPs in their community initiatives as the principles are based on participatory ideology. The sustainability of the community investment would need to consider participatory development methodologies, long-term engaged community development plans and provides an opportunity for the beneficiary community to become "co-producers" and "co-managers" in their own development, through collaborative efforts with local government and change agents (Theron, et al., 2016:181-184).

## 6.2 RECOMMENDATIONS

### 6.2.1 Collaboration

It is the belief of the researcher that, as a result of the sparse environment of the Northern Cape, including the Emthanjeni Local Municipality, joint efforts from other IPPs in the area would have greater impact for communities. Collaborate efforts between IPPs and also between local municipalities would assist in attaining integrated rural development that promotes participation. Collaboration can therefore have two fundamental responsibilities within the REIPPPP. Firstly, with the increased number of IPPs operating in the same area, and the resultant overlap of beneficiary communities within the 50 km radius of IPPs, it is essential that IPPs begin to share community investment strategies, learning and resources. In this light more funding could be made available for the purposes of engaged community practices, which usually take more time, and specifically for participatory research on the various communities. Secondly, participation is a voluntary process involving more than one stakeholder and therefore has to be seen, by IPP's and change agents, as collaborative. Mchunu (2012:20) indicates that participation, defined as an important part of democracy and governance is a "two-way voluntary process" and that collaboration as part of participation principles and models is an essential element of the IAP2 Spectrum of Public Participation, as shown in the analysis against which the case study was presented in Section 5.4, by the seven typologies of Pretty, et al. (1995) and the four modes of Oakley and Marsden (1984) (as covered in Chapter 2). One of the tools that can be used to ensure that different communities are represented and to ensure authentic participation is a multi-stakeholder platform. Two examples of these, which can be emulated by the Emthanjeni Local Municipality and its immediate surrounds, are presented below.

#### *6.2.1.1 Multi-stakeholder spaces as a form of collaboration*

Community participation can be achieved through the meeting, understanding and respect of all relevant stakeholders in the case study. The REIPPPP has already seen success with government-led community spaces being created for more streamlined coordination and management of the IPPs within a close geographical range of each



other. The first example is the Eastern Cape Sustainable Energy Strategy, an initiative started by the Department of Economic Development, Environmental Affairs and Tourism, which has created an enabling environment for renewable energy companies. This mandate was extended in 2012 when the Eastern Cape Provincial Executive Council extended the strategy of the group so that it now “focuses on improved provincial energy security and self-sufficiency, improved access to energy among the poorest in the province, and the need to stimulate a green and low-carbon economy underpinned by decent and sustainable jobs” (DEDEAT, 2012).

The second example of a multi-stakeholder space is led by the Khâi-Ma Municipality with its administrative seat in Pofadder, Northern Cape. The area around Pofadder has been zoned for photovoltaic energy and is supported by the CSIR and local government. Five different solar projects have been built in the area, inevitably causing an overlap in the 50 km radius within which beneficiary communities are allocated. The Development Coordination Forum (DCF) in Khâi-Ma has enabled an environment that provides space for projects to discuss objectives and ideas for SED and ED. Of particular interest are the local ownership funds and how to maximise benefit to the area. The Industrial Development Corporation (IDC) assisted the development of the DCF and includes the mining and agricultural sectors in its structure, which are in any case obligated to participate in community development. Ownership issues are then managed within all these sectors and possible overlap, and community dynamics are addressed.

The models shown in the Eastern Cape and in Pofadder in the Northern Cape can be replicated to service other areas experiencing an overlap in beneficiary communities. The DCFs should also be given more responsibility in terms of their mandate from government in order to organise and assist small businesses to access IPP enterprise development funding and assist local government to manage the IPP process. The DCFs can further be utilised to share learning, collect data and measure the impact of IPP socio-economic investment. The REIPPPP provides a unique opportunity for the private sector, government and civil society to collaborate and ensure the programme can make a meaningful contribution to the development goals of the country (WWF-SA, 2015:15). A holistic approach is required and is depicted in Brown’s, “society-project management partnership” which is explained in Chapter 5 (Theron, 2008:62).

### **6.2.2 Communication**

The key concern with communication is finding the most appropriate means; particularly in Hanover, where a large component of the community is illiterate. As discussed in the analysis in Chapter 5, the use of local newspapers to advertise events and show what programmes SCATEC SOLAR is initiating can be useful in sharing information, albeit in an “informing” one-way manner. To ensure more meaningful participation, community meetings must be held in conjunction with the local municipality and, importantly, the meeting should be conducted in the primary language of the area. In Hanover, the majority of the population speak Afrikaans, and translators should be provided for the Xhosa-speaking population, who make up the second largest language group. To ensure that these meetings are more “empowering”, a specific advisory team needs to present their findings, concerns or ideas as representatives of the community. The information gathered by the advisory team would be collated prior to the community meetings.

Lastly, SCATEC SOLAR should consider setting up an office in Hanover, which would become the base of its SED operations. Community members who are unable to attend the meetings or who feel more comfortable speaking one-on-one to somebody are able to utilise this space to engage with SCATEC SOLAR’s programmes, and share their ideas and concerns.

The recommendations mentioned for communication represented a “mix of strategies” as described in the IAP2 (see Section 2.3.3 and analysis in Section 5.4).

### **6.2.3 Improved Methodologies for Community Engagement and Innovation**

The researcher poses that the growing incidence of new “development” agencies surfacing in order to cater to the expanding renewable energy industry increases the use of traditional “top-down” community “involvement” methodology. Certainly, the same type of approach is already utilised amongst development “experts”. Although projects have been proposed for Hanover (see figure 5.3), it is recommended that SCATEC SOLAR continues to improve its methodology and takes time to revise the suitability of projects in relation to its need by the community and the impact it can have. In this

case it would be difficult and risky to stop a project that has already gained momentum, but determining its potential for sustainability is important for long-term impact.

The dual responsibility of creating benefit for the community and reporting this benefit to the Department of Energy and shareholders has not allowed the time needed for participatory engagement nor the potential for innovative practices. The researcher recommends that the stringent quarterly reporting format required by the Department be relaxed to take into consideration the complexity of developing impactful community projects.

As discussed in Chapter 4, the lack of guidance from either government or the relevant development agencies when engaging with communities further exemplifies the situation and indeed represents a missed opportunity for empowering community development strategies. It is recommended that for the immediate future the most sustainable type of innovation required for the REIPPPP would be the development of efficient and adaptable participation indicators built into the long term monitoring and evaluation framework of the IPP's SED plan. These indicators would need to be shared and understood by the community and government, thereby ensuring all stakeholders are aware of the long-term outlook of the investment.

#### **6.2.4. Monitoring and Evaluation**

SCATEC SOLAR has at this stage set broad objectives for the Hanover community, including empowered and proactive community members and encouraging community members to move from consumers to co-producers (SCATEC SOLAR, 2015). The effective monitoring of this process as well as the participation of beneficiary stakeholders in the monitoring and evaluation process is key to long-term success. The DOE IPP office has a specific department that focuses on monitoring and evaluation (M&E). The researcher recommends that the M&E plans of IPPs be shared with this department and not only their more general SED plans, which is what is currently occurring.

As argued in Section 3.3, understanding the impact of a project beyond the spend measurement is becoming an increasingly important part of the CSI landscape in general. Many corporates and change agents are realising that the billions in socio-

economic spend is not making a significant inroad into negating inequality and increasing access to opportunities. Over the past few years, the need for more deliberate development efforts has changed the scope of CSI.

Furthermore, the monitoring and evaluation framework can assist SCATEC SOLAR in increasing the participatory elements of their engagement by sharing the objectives of the project in transparent community spaces. If there are targets that have not been met at any particular stage these can be shared with the community and assistance can be offered when required in meeting objectives. Sharing information on this level will also encourage engagement from the community, promote idea sharing and create ownership of the projects.

### **6.2.5 Government-Led CDT Lessons-Learnt Workshops and Training**

Currently, CDTs are registered by the Masters Office. There is no government structure available that holds these trusts to account. As a result, very little information about the trusts and their mandates, as laid out in the trust deed, is communicated to the broader community. As a result, community members are often unaware of the how these trusts are developed for their benefit. Importantly, they are also unaware of the fact that as beneficiaries they are able to hold the trust to account for any misconduct in terms of financial mismanagement. A government-led process could assist communities in understanding their rights and in accessing the knowledge required to act on those rights. Furthermore, with a mandate from a government-led institution, the requirements of trusts will be less open to interpretation and easier to track and monitor (see Section 3.3).

The Emthanjeni Local Municipality, as the custodians of the local beneficiary community in Hanover, should be involved with trustee selection processes in a transparent manner. Their involvement of the municipality would create buy-in and trust in the processes. In most instances CDTs are dealt with by “outsiders” who run the election processes and conduct the training for new trustees, but having the familiarity of the municipality could assist in easing initial tensions. With regards to training, other types of training are also required for different types of stakeholders, and these will be explained in the next section.

### **6.2.6 Recommendation for Further Training and Capacity Building, and Future Research Priorities**

Training is required for different stakeholders within the REIPPPP. The researcher recommends the training of IPP community liaison officers and change agents, and local government officials. This specific recommendation is relevant to the REIPPPP as a whole and should be implemented at both corporate and government level. Furthermore, cross-sectorial learning should be utilised to access lessons from mining and other community-situated industries. As noted in Chapter 4, the REIPPPP encapsulates a techno-social industry that requires technicians, engineers and project developers to engage with the social aspects of the environments within which they operate. This industrial significance is unique to South Africa, whereas globally community engagement is neither a social license to operate nor legislated.

Specific training is required for community liaisons and change agents on the use of participatory methodology when engaging with communities. Issues of empowerment, ownership and social learning need to be revisited in order to “un-learn” non-inclusive practices.

With regards to local government, specific education is required when introducing new programmes that directly affect their communities. Although the REIPPPP is lauded for its success and exemplary model for renewable energy on the continent, the programme has failed in preparing and educating local government on the implications of the programme for the effected municipalities. Although the programme has been running for five years now, and most municipalities have “learnt-on-the-go”, continuous guidance and support would ensure the success of the REIPPPP over the next 15 to 20 year period, particularly in the instance of new local councils being elected every four years.

With regards to cross-sectorial learning, lessons learnt from other industries can save time and encourage discussion on improved methodology. To illustrate, research conducted by the South African Institute of International Affairs (SAIIA) (Besharati, 2014) investigated the impact of mining investments by Anglo American Platinum on education outcomes in the communities surrounding their mines. The findings have shown that, despite educational interventions in the mining communities, schools

within the beneficiary radius are in fact more disadvantaged than those not supported by the company. The research captures important learnings from a company that has been operating in South Africa for many years and investing in social issues for almost an equal amount of time (and indeed long enough for it to have made a certain level of systemic change, particularly in education). Similar to the mining industry, the renewable energy companies are contracted to operate for a long period of time, up to 25 years in some cases. It is therefore critical for the renewable energy industry to make a genuine effort to learn from the lessons from other industries operating within a techno-social space in the South African context.

The researcher also proposes this recommendation as an area for further research, specifically to study the improvement in participatory training amongst change agents. The “re-learning” would require a shift from “top-down” development approaches masked as participatory to more inclusive and authentic participatory methods.

Another recommendation for further research would be to conduct detailed impact assessments on SCATEC SOLAR’s SED investment into Hanover after a period of implementation has been achieved. It can then be determined if certain outcome indicators have been reached and whether participatory methods have improved.

### **6.3 CONCLUSION**

The United Nations Environment Programme has ranked South Africa in the top ten countries in the world investing in renewable energy in 2014 (Breytenbach, 2015:2). This is significant, as the REIPPPP model requires IPPs to make a substantial investment in economic development criteria; the total socio-economic development investment by IPPs at this stage is R91.1 billion over the next 20 years from 95 different projects that have been awarded to date. South Africa is advanced in terms of its application of dual-purpose policies. However, the fact remains that poorer communities, particularly rural, still bear the brunt of an apartheid architecture that has not been significantly overturned in the age of democracy. An opportunity exists within the REIPPPP to channel much needed funding to these rural areas. Communities such as those in Hanover are isolated from the major industrial zones and the opportunity exists to create social and economic benefit to the area.

In terms of economic development for poorer communities within the REIPPPP programme, the correct elements seem to be in place: democratic and constitutionally sound procurement policies, private sector investment, resources and environmental capability. However, the critical missing element is the execution of participatory community engagement methodology. In South Africa in particular, the increase in community unrest is indicative of the lack of the community “voice”, particularly at grassroots.

Although there are varying viewpoints held on the validity of participatory development, both for this (Korten, 1990; Theron & Mchunu, 2014; Theron 2008) and against it (Cooke & Kothari, 2001; Hickey & Mohan, 2004), the researcher is in agreement with the movement for more authentic participation in development programmes, and particularly within the opportunity presented by the REIPPPP. IPPs can leave a lasting legacy in the rural communities surrounding their operations by employing improved participatory methodology.

The failures of the socio-economic investment in other techno-social industries, such as the mining community should be used as lessons learnt for the renewable energy industry. The REIPPPP has an opportunity to ensure a higher degree of participation in their SED plans through authentic participation with communities from initial planning through to implementation and reporting.

The hypothesis in Chapter 1 states that *sustainable integrated rural development can be achieved through participatory community investment by renewable energy companies*. SCATEC SOLAR was utilised as a case study to test this hypothesis through an assessment of the IPPs investment in Hanover. SCATEC SOLAR has failed to initiate their programme in a participatory manner. Their methodology made use of “consultative” and “informing” community engagement. Although there is an opportunity to extend participatory methodology in their long term SED plans going forward, the current status quo represents a degree of tokenism.

The final chapter of this study has offered recommendations to various stakeholders within the REIPPPP. Firstly, to SCATEC SOLAR to improve their SED investment to align more closely participatory methodology and improve the sustainability of their investment; secondly, to the government, both national, and locally for the Emthanjeni Local Municipality in terms of improving the programme to allow for participatory

practices and measurements; and, lastly, to change agents working in communities to continue improving their training to ensure that the beneficiaries are co-producers and co-managers of their own development.



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## **ANNEXURE A: INTERVIEW WITH GOVERNMENT**

1. Please describe the overarching goals of the REIPPPP, with particular reference to the local economic development requirements?
2. Why is there no explicit guidance in the REIPPPP for community engagement and assessment?
3. Were development consultant/change agents/NPOs engaged at any stage?
4. How is government ensuring that the SED plans submitted as part of the bid are not merely superficial desktop exercises?
5. The reporting plan required by the IPPs is required to have quantitative measures for the obligations in order to ensure government can perform monitoring and evaluation. How does government intend to perform this action? Would this be similar to that performed in the SLPs (which never really took off)?
6. The department has done an incredible job at putting together a team able to manage the procurement process. Does this team include more community-trained people going forward? Are there aims to capacitate this function in-house?
7. Has or will the department facilitate any collaborative efforts by IPPs or community stakeholders?
8. Has local government/municipalities been advised on how to engage/manage the REIPPPP process?
9. What would be required for improved engagement between IPPs and local municipalities, and local capacity to engage with private sector funding?
10. What role do you believe the IPPs can play in sustainable development for rural communities?
11. What type of communication channels is open between IPP and DoE, and between DoE and relevant beneficiary communities?



12. Do you believe that the REIPPPP explicitly encourages communication between IPPs in terms of their community projects?
13. How are IPPs incentivised to achieve success in their community projects?

## **ANNEXURE B: INTERVIEW WITH SCATEC SOLAR**

1. What was your development approach to local economic development?
2. How effective do you believe the procurement process is in terms of the local economic development structure?
3. What are your key challenges with regard to the procurement process from the REIPPPP design?
4. Are you satisfied with stakeholders being included in your community plan? Was thorough stakeholder analysis conducted?
5. How do you ensure participation of the community in your local economic development strategy?
6. Do you consider community development programmes as a risk to your business?
7. What is the willingness to engage with community-driven processes, as opposed to established NPOs?
8. Does SCATEC SOLAR utilise community-based businesses as service providers, or is reliance mostly on outside procurement (in relation to ED)?
9. What were your lessons learnt when first engaging with communities?
10. What communication measures were taken to introduce SCATEC SOLAR to the different communities at the initial stage, and on-going?
11. How do you manage expectations in communities?
12. How have the different stakeholders within SCATEC SOLAR (board, project managers, OMs, EPC, shareholders, investors, etc.) embraced the local economic requirements?
13. Do you believe that the REIPPPP explicitly encourages communication between IPPs in terms of their community projects?

14. Are IPPs open about their community projects or is the highly competitive nature of the procurement process a hindrance in this regard?
15. What platforms currently exist for IPPs to share information?
16. A large amount of attention is focused on community ownership. To what extent do you believe that community voices are being heard, particularly in decision-making?
17. What have been the unintended consequences (both positive and negative) in the communities within which you work?
18. You have chosen to utilise community development trusts for your project sites. What was your motivation for this and do you think it is the best mechanism for ownership?
19. What is your overall impression of the REIPPPP in the South African landscape?

**ANNEXURE C: INTERVIEW WITH KNOWLEDGE PELE:  
RESEARCH ADVISORY AND DEVELOPMENT FIRM TO THE  
RENEWABLE ENERGY INDUSTRY**

1. Please describe Knowledge Pele, the type of work you do, and how you service the Renewable energy industry.
2. What is your overall impression of the REIPPPP in the South African industry?
3. What are the key challenges with regard to the procurement process?
4. Do you believe that the REIPPPP explicitly encourages communication between IPPs?
5. Do you have an insight into whether IPPs should be incentivised to achieve success in their community projects?
6. Do you think that all the relevant stakeholders within the REIPPPP are fairly represented?
7. Do you consider community development programmes as a risk to the renewable industry?
8. How do you think expectations in the community should be managed?
9. Are IPPs open about their community projects or is the highly competitive nature of the procurement process a hindrance in this regard?
10. A large amount of attention is focused on community ownership. To what extent do you believe that community voices are being heard, particularly in decision-making?
11. What have been the unintended consequences (both positive and negative) in the communities within which you work?
12. In your Chapter, you describe the procurement programme in its infancy. Almost five years down the line, what should they be getting right at this stage?

13. What are insights into the sudden rise in “development” agencies springing up everywhere to capitalise on the RE community work? Does this lend itself to “true” development practices? Is this a risk?

## **ANNEXURE D: INTERVIEW WITH RAND MERCHANT BANK: PROJECT FINANCIERS**

1. Please describe your role as a stakeholder in the REIPPPP.
2. What is your overall impression of the REIPPPP in the South African landscape?
3. How effective is it to include SED/ED requirements at the bidding stage?
4. Do you think that the local economic requirements are seriously considered by IPPs?
5. What, if any, are the limitations of the local economic section of the REIPPPP?
6. Are IPPs open about their community projects or is the highly competitive nature of the procurement process a hindrance in this regard?
7. What platforms currently exist for IPPs to share information?
8. Do you have an opinion on the community development trusts that IPPs are forming?
9. What role do you believe the IPPs can play in sustainable development for rural communities?
10. How can we better coordinate this community component?

## **ANNEXURE E: EXAMPLE OF COMMUNITY ASSESSMENT QUESTIONS USED BY SCATEC SOLAR**

1. What is it about this community that makes life good for people who live here?
2. What are some of the problems that exist for people who live in this community?
3. How do these issues relate to you as an elected official?
4. How do you attempt to improve the quality of life of community members?
5. Can you give examples of some of the things you have done for your community that have been successful?
6. What are some barriers that keep you from carrying out these efforts? What helps you carry these out?
7. What do local residents see as the primary needs of the community?
8. What are the various intervention strategies being used in your community to address the issues?
9. Who are the people in the community who care about the community's needs?
10. What are the gaps in service to people in the community? What would a complete system look like?
11. Who are the NPOs in the area and what service do they offer?
12. What changes have occurred in your community since SCATEC SOLAR arrived?
13. Do you think SCATEC SOLAR can change the socio-economic issues in your community?
14. What do you hope to achieve through SCATEC SOLAR's interventions in your community?

## **ANNEXURE F: SUSTAINABLE DEVELOPMENT GOALS**

Post the MDG's the post-2015 SDGs outline 17 goals that the leaders of the world have agreed upon. These include:

1. No poverty: End all poverty in all forms everywhere.
2. Zero hunger: End hunger, improve food security and improve nutrition and promote sustainable agriculture.
3. Good health and wellbeing: Ensure healthy lives and promote well-being for all at all ages.
4. Quality education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Gender equality: Achieve gender equality and empower all women and girls.
6. Clean water and sanitation: Ensure availability and sustainable management of water for all.
7. Affordable and clean energy: Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Decent work and economic growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9. Industry, innovation and infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
10. Reduced inequalities: Reduce inequality within and among countries.
11. Sustainable cities and communities: Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Responsible consumption and production: Ensure sustainable and responsible consumption patterns.



13. Climate action: Take urgent action to combat climate change and its impacts.
14. Life below water: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Life on land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16. Peace, justice and strong institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.
17. Partnerships for the goals: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

(<https://sustainabledevelopment.un.org/index.php?menu=1300>)

**ANNEXURE G: HANOVER COMMUNITY ASSESSMENT REPORT  
PREPARED BY THE DEVELOPMENT SPECIALIST OR CHANGE  
AGENT FOR SCATEC SOLAR**



**Community Assessment Report  
Linde Solar plant, Northern Cape**

Prepared for Scatec Solar  
by  
Tshikululu Social Investments

December 2014

Directors: GG Gomwe (chairman), AH Arnott (non-executive), M Diaho (non-executive),  
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## Table of contents

Table of contents.....	2
Table of Figures .....	2
1. Purpose.....	3
2. Methodology.....	3
3. Northern Cape: an overview .....	4
4. Community assessment report – Hanover, Northern Cape.....	5
4.1. Geography and demographics of Hanover .....	5
4.2. Economic profile.....	6
4.2.1. Labour force utilisation .....	6
4.2.2. Economic sectors .....	7
4.2.3. Housing and services .....	8
4.3. Development profile .....	8
4.3.1. Education.....	8
4.3.2. Public health .....	9
4.3.3. Social development .....	9
4.4. IDP Priorities .....	10
5. Conclusions for Hanover.....	11

## Table of Figures

Figure 1: Economic development criteria of the REIPPP .....	3
Figure 2: Population by province, 2011 .....	4
Figure 3: Location of the Emthanjeni Local Municipality, Hanover in the Northern Cape .....	5
Figure 4: Emthanjeni LM population, by race, 2011 .....	5
Figure 5: Language prevalence in Emthanjeni LM .....	6
Figure 6: Employment status in Emthanjeni Municipality .....	7
Figure 7: Individual monthly income, Emthanjeni LM .....	8
Figure 8: Internet access.....	8
Figure 9: levels of educational attainment, Emthanjeni LM .....	9
Figure 10: Long term plans for the Emthanjeni Municipality.....	11

## 1. Purpose

In accordance with section 4.8.2 of Volume 5: Economic Development Requirements, Scatec Solar has undertaken a socio-economic developmental assessment of the communities nearest the Linde Solar plant. In addition to evaluating community needs, this assessment has sought to identify potential developmental assets, to understand existing socio-economic development initiatives in the area, and to serve as a preliminary engagement with key community stakeholders. This assessment was conducted by Tshikululu Social Investments in November 2014 with the support and facilitation of Scatec Solar's New Business Development team.

In August 2011 the Department of Energy (DoE) launched the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) to support the growth of the renewable energy industry in South Africa. This programme will encourage significant growth and investment from international renewable energy organisations such as Scatec Solar, particularly in remote and rural parts of the country.

The purpose of the programme is three-fold: to reduce the supply shortages faced by the electricity sector, to move away from coal-dominated electricity production, thereby reducing carbon emissions, and to contribute to economic development in South Africa.

Scatec Solar is supporting the DoE to achieve all of the above. In terms of the socio-economic development contribution, Scatec Solar is required to distribute between 1% and 1.5% of total project revenue to the socio-economic development of local communities within a 50km radius of the project site, or to the nearest communities. Hanover and Noupoot have been selected as the closest beneficiary communities to the Linde project site, with Hanover taking the majority share of the investment for this initial period. Hanover's priority is based on the more pressing needs of the community and the fact that the majority of the construction workers working on the Linde site come from the town. The REIPPPP economic development requirements stipulate that Scatec can additionally choose to commit up to 0.6% of project revenue to enterprise development.

Economic development elements	Weighting
Job creation	25%
Local content	25%
Ownership	15%
Management control	5%
Preferential procurement	10%
Enterprise development	5%
Socio-economic development	15%
<b>Total</b>	<b>100%</b>
<b>Total points</b>	<b>30</b>

Figure 1: Economic development criteria of the REIPPPP

## 2. Methodology

Implemented by Tshikululu's community development specialists, the process of profiling the Hanover and Noupoot communities included a review of secondary source data and documents, and the collection of primary source information in the form of on-site key informant interviews and the observations and analysis of the assessors.

Tshikululu's secondary source review included an analysis of 2001 and 2011 census data sourced from Statistics South Africa. It also included a review of publicly available municipal planning and reporting documents, including the Emthanjeni Municipality Annual Report 2012/2013, and other relevant resources e.g. *Southafrica.info*.

The primary source phase of the research included a three-day visit to Hanover and Noupoort and the surrounding areas in November 2014. This field-based research employed a rapid assessment methodology consisting of semi-structured interviews with community stakeholders and key informants. These include key stakeholders at the schools, Principals and teachers; the local clinic; local police service; NGO and church groups; the local municipal manager; and prominent community members. Contacts were established through Scatec Solar's municipal partners in the region, and each led to successive interviews with additional informants. The officials at the local municipality played a role in making themselves available for interviews with Tshikululu and sharing important information.

Information from individual informant interviews often represents opinion and/or conjecture; as such, conclusions are reached only when they can be triangulated from multiple sources and/or are supported by direct observation, secondary source analysis, or statistical data.

### 3. Northern Cape: an overview

The Northern Cape is the largest province taking up almost a third of South Africa's land area. However it has the country's smallest population with just over one million people or 2.2% of its total population.<sup>1</sup> The province lies around the Orange River, which nourishes the agricultural and alluvial diamond industries. The Northern Cape landscape is characterized topographically by vast and arid plains. Kimberley is the capital of the province and the seat of the provincial government. Other important towns are Upington – the centre of the sheep farming and dried fruit industries, and the most northerly wine-making region of South Africa<sup>2</sup> – and De Aar – the third largest town in the Northern Cape, and a railway hub connecting Johannesburg, Cape Town, Port Elizabeth and Namibia.<sup>3</sup>

POPULATION BY PROVINCE 2011		
Province	Population	% of total
Eastern Cape	6 562 053	12.7%
Free State	2 745 590	5.3%
Gauteng	12 272 263	23.7%
KwaZulu-Natal	10 267 300	19.8%
Limpopo	5 404 868	10.4%
Mpumalanga	4 039 939	7.8%
Northern Cape	1 145 861	2.2%
North West	3 509 953	6.8%
Western Cape	5 822 734	11.3%
<b>TOTAL</b>	<b>51 770 560</b>	<b>100%</b>

Figure 2: Population by province, 2011

Source: Statistics South Africa, *Census 2011*

<sup>1</sup> Northern Cape Province, in <http://www.southafrica.info/about/geography/northern-cape.htm>, accessed on 4 December 2014

<sup>2</sup> Northern Cape Province, in <http://www.southafrica.info/about/geography/northern-cape.htm>, accessed on 4 December 2014

<sup>3</sup> [http://www.northerncape.org.za/getting\\_around/towns/De%20Aar/](http://www.northerncape.org.za/getting_around/towns/De%20Aar/), accessed on 4 December 2014

#### 4. Community assessment report – Hanover, Northern Cape

##### 4.1. Geography and demographics of Hanover

Large sections of the Northern Cape are confronted with significant development constraints as a result of the geographic environment. A wealth of research correlates low economic development nodes with poor natural conditions, confirming that poverty-stricken populations live mainly in mountainous, desert, cold, highland and isolated areas with poor natural conditions, frail ecological systems, and insufficient natural resources. Some of the difficulties faced by these communities include the fact that poverty-stricken areas are often located a substantial distance from economic, industrial and cultural centres; that production and business are at low levels of modernisation and socialisation; and the poor sanitation and health conditions, low levels of social insurance, high illiteracy rates and high population growth rates in the area.

Situated roughly halfway between Cape Town and Johannesburg on the N1, Hanover makes up one of three towns within the Emthanjeni Local Municipality (LM) – one of eight LMs within the Pixley ka Seme District – the others being De Aar and Britstown.



Figure 3: Location of the Emthanjeni Local Municipality, Hanover in the Northern Cape

The town is characterised by the multitude of artists and craftspeople which frequent the area, often seeking inspiration and peace in the quiet Karoo. The Hanover district is also known for some of the best lamb in the country, and the surrounding farms are principally Merino sheep farms.

Hanover is the smallest town in the Emthanjeni LM and has a population of approximately 4 594<sup>4</sup>; representing approximately 11% of the local municipality's 42 356<sup>5</sup> population. The Black African population make up the majority of the population of Hanover, followed closely by the Coloured population. Common to the Northern

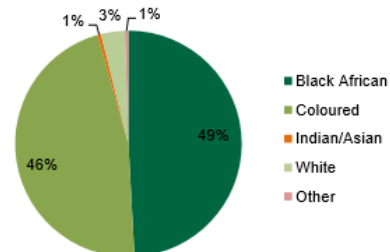


Figure 4: Emthanjeni LM population, by race, 2011  
Source: Statistics South Africa, *Census 2011*

<sup>4</sup> Statistics South Africa, *Census 2011*

<sup>5</sup> *ibid*

Cape, Afrikaans is the most widely spoken language.

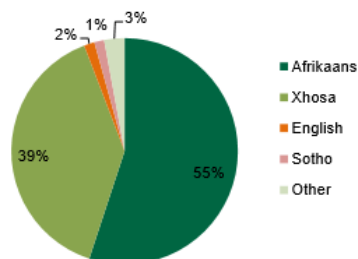


Figure 5: Language prevalence in Emthanjeni LM  
Source: Statistics South Africa, *Census 2011*

Population normality for the Northern Cape is that generally communities have a young population concentrated between the ages of zero and 29. Communities in Emthanjeni experience approximately 57 per cent of the population within this age group. As this group is typically either still in primary and secondary school, or affected by the high level

of unemployment, they can be considered as not economically active thereby placing a heavy burden on the working and social grant dependent pool of people.

#### 4.2. Economic profile

Hanover is conveniently situated along the N1 route between Cape Town and Johannesburg, making it easily accessible and central to many of the farming communities in the surrounding Karoo. This beneficial location has however not culminated in any economic realisation for the area. The town, like many others in the Northern Cape is exemplified by economic constraints.

The major transport corridor passing by the town has resulted in it being utilised for truck stop-overs; however the benefit of this is not widespread throughout the community but rather isolated to particular people, who have the means to own businesses. Beyond this the community and local municipality struggles to attract other investment or new industry to the area.

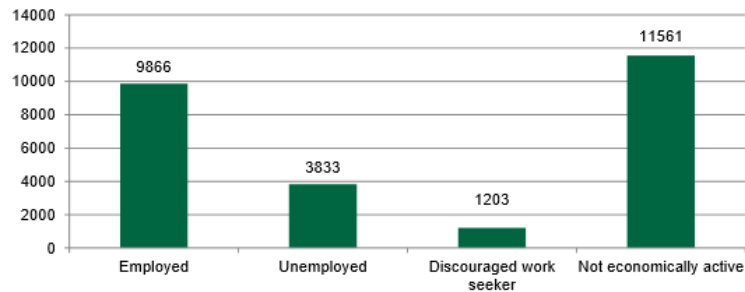
The land is also semi-arid and favourable to those who own Merino<sup>6</sup> sheep farms; whilst other agricultural activities, such as food produce, are more limited and often solely for household consumption, rather than economic gain.

A change in economic fortunes for geographically isolated regions is often dependent not on incremental growth but on a significant boost in development, represented by the introduction of new industry and the associated influx of capital investment.

##### 4.2.1. Labour force utilisation

Unemployment levels in the Emthanjeni LM are alarmingly high at 28 per cent, with youth unemployment recorded as being 37 per cent. According to informants the youth are despondent and bored. Many are willing and able to work but due to the fact that industries are limited the opportunities are often outside of Hanover, making them difficult to access.

<sup>6</sup> Merino sheep are favoured for their soft wool and are economically influential for the farmer



**Figure 6: Employment status in Emthanjeni Municipality**  
Source: Statistics South Africa, *Census 2011*

The local economy is largely dependent on seasonal farm work, which in itself is limited in opportunity. The employment absorption rates are therefore small and also favour low-skilled physical labour, which often do not promote economic longevity. The municipality states that due to low levels of investment in the town, particularly in industries outside of the sheep farming business, people are reliant on earning an income through these temporary low-skilled jobs leaving them hopeless and desperate.

The investment brought into the town through the construction of the solar plant has provided temporary upliftment but the construction work is short term and therefore an unsustainable reality in the face of dire economic circumstance.

#### 4.2.2. Economic sectors

The commercial activities of the town are limited to a small number of restaurants, a petrol station and a few shops. Informants have indicated that some people are interested in starting businesses but that the pool of possibilities are limited to a few individuals who own the local supermarket and truck stop businesses. Income levels are fairly low and therefore the demand for major outlets is limited. The majority of employees in Hanover are employed by government institutions, clinics and farms.

The municipal Local Economic Development (LED) strategy notes that there are areas for potential economic growth. These include:

- Possible upgrading of the railway station
- Development of industrial sites in all three towns
- Renewal of more residential sites in all towns
- Ostrich farming

In addition to the untapped human capital, there is also a great opportunity for business to collaborate and engage with some of the identified opportunities. This may lead to the sustainable development of Hanover and the broader municipality and region.

Having recognised the challenges in the economy, the LED strategies propose an approach to turn around and stimulate the local economy in a sustainable, community-centred method. By stimulating local economic activity the quality of life of the whole community could improve, and not simply that of the unemployed or the underemployed.



#### 4.2.3. Housing and services

To gauge welfare of the community, a key determining factor is the household income. This relates to families' ability to meet basic needs such as to provide shelter, water and clothing. A lack of income thus means there is a lack of these basic needs besetting families, and the community, into poverty. In Hanover, a large proportion of the population has little to no income at all. This means that many households are dependent on government grants. Community stakeholders in the area describe the local economy as desperate, and in need of a revival.

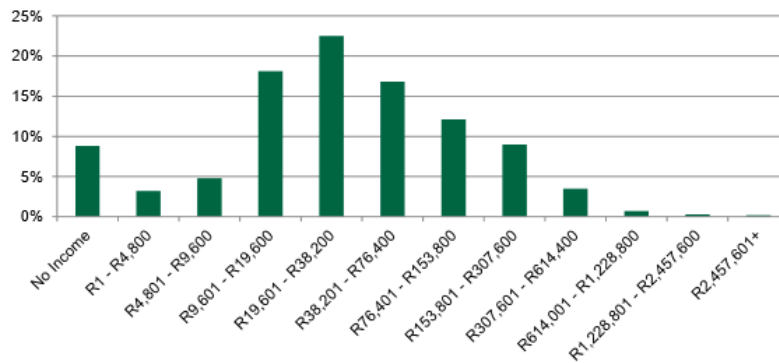


Figure 7: Individual monthly income, Emthanjeni LM  
Source: Statistics South Africa, *Census 2011*

Despite the poverty experienced in the area, the majority of households reside in formal RDP dwellings and the municipality has indicated that more are currently being built. Hanover does have informal settlements, situated on the outskirts of the town. Generally the municipality has managed to provide certain basic services to the communities within its jurisdiction. As a result the area has not experienced many service delivery protests, thereby ensuring a fairly stable political environment.

#### 4.3. Development profile

As mentioned previously, the small towns of the Northern Cape are often characterised by high levels of unemployment and high grant dependency due to limited economic opportunities and lack of industry. An under-diversified economy, heavily dependent on secondary and tertiary sectors, with a thin primary sector base, is a risky proposition. This situation is further exacerbated by the poor educational attainment recorded for Emthanjeni LM.

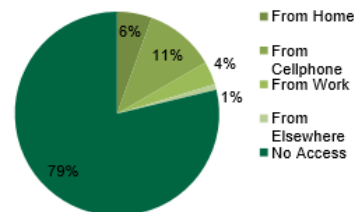


Figure 8: Internet access  
Source: Statistics South Africa, *Census 2011*

##### 4.3.1. Education

Hanover combined its two primary schools into one school called Hanover Primary School, thereby servicing all children in the town and some of the surrounding farms. The school has

a boarding facility which ensures children from outlying areas are catered for. The town also has two secondary high schools.

While the education level is not very high in the town, many of Hanover's people have obtained a matric certificate, but remain unemployed. The unfortunate reality for many school leavers in Hanover is that very few are financially able to access tertiary or further education. Additionally, due to limited internet access, the ability to source and apply for scholarships are few.

This lack of opportunity and consequent boredom amongst the youth has – in some instances – resulted in high levels of alcohol abuse, unplanned pregnancies and limited appeal or motivation for entrepreneurship.

Poor enrolment trends persist to tertiary level, with a dearth of tertiary institutions aggravating matters for young people who do pass grade 12 with marks qualifying them for tertiary education.

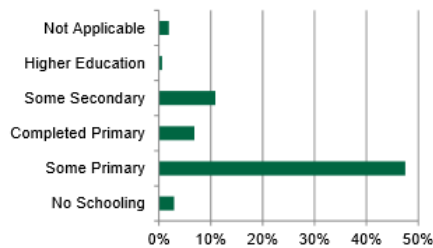


Figure 9: levels of educational attainment, Emthanjeni LM

Source: Statistics South Africa, *Census 2011*

The municipality has indicated that they wish to establish a Youth Centre in the town, which they hope will be equipped with computers and internet, allowing the youth the opportunities to access and apply for scholarships

#### 4.3.2. Public health

Malnutrition-related indicators – the most basic measure of general health – reflect concerning deficits for Northern Cape residents. The 2005 National Food Consumption Survey put the incidence of malnutrition among Northern Cape children at 27%, and this socio-economic analysis revealed that the Northern Cape and Free State had the greatest percentage of children with a protein intake of less than half the recommended daily allowance (RDA). The Northern Cape also ranked among the lowest for mean carbohydrate intake, mean sugar intake, and mean fat intake. Men and women in the Northern Cape are more likely to be underweight than in other areas in South Africa (12.3% for women and 22.7% for men). However, in terms of weight to age ratios, Pixley ka Seme district appears to be better off than other districts of the Northern Cape.

#### 4.3.3. Social development

The majority of informants cite alcohol abuse as one of the most pressing issues in Hanover and claim it is a result of the complete lack of motivation of people who are destitute and hopeless. The cross-generational effects of alcohol abuse have engrained social ills in the family fibres, leading to domestic violence, and increasing the number of vulnerable children.

The lack of recreational activities in Hanover further exacerbates boredom amongst the youth and aggravates alcohol abuse. The town has the facilities available to host sporting events and allow schools in the area the chance to host events at the sports grounds but the facility is not well maintained and requires upgrading. Additionally the grounds cater for soccer games only and need to be extended to include other sports, such as netball, tennis, rugby and athletics. One of the goals of the municipality, in regard to recreation, is to provide a multi-purpose sports ground.

The local youth centre is also not fully equipped and lacks the infrastructure to support the youth of the town. People of all ages could utilise such facilities to access online courses and improve their computer literacy. This could make them more marketable in seeking employment. Unfortunately the municipality has limited funding available and has listed the improvement of the youth centre as one of its priority investments.

Residents have indicated that the crime rate is low and because of the size of the town, if criminal activity does take place, the perpetrators are often known to the community; who then inform the police. Police presence is high in the community, and the police service is one of the major employers.

The town is also popular amongst artists and craftspeople, and has a reputation for producing great South African contributions to the arts. A resurgence of art projects, as expressed through the involvement of women in the bead work products produced for the Linde site inauguration is one example of how this type of activity can create positive energy within the community and provide a source of potential income.

#### 4.4. IDP Priorities

The IDP for the Emthanjeni LM articulates its primary development focus areas in terms of the mandated priority areas for local government. The needs of the communities reflected amongst others:

- Economic development
- Electricity improvements
- Youth development
- Availability of agricultural land
- Infrastructure development
- Improved health services
- Communication network
- Skills development
- Storm water drainage
- Small Medium and Micro-Enterprise (SMME) development
- Housing delivery<sup>7</sup>

Further longer term plans that the Emthanjeni local municipality wish to implement in order to increase Economic Development are:

Development of N10 corridor	Toilet paper plant
Upgrade of landing strip	Upgrading of museums and caravan parks
Hanover and Britstown sewerage sites	Chicken farm
Revitalization of rail	Paragliding (annual series event)
Upgrading of nature school (Poortjie)	Water purification
Development of industrial sites (Hanover/Britstown)	Iron, ore and manganese smelter plant
Urban renewal programme (renewal of townships)	Upgrading and maintenance of parks in Emthanjeni
Town houses and chalets development (near	Accommodation and conference facilities

<sup>7</sup> Emthanjeni IDP 2012/2013

new Hospital)	
Lucerne project	Amusement park

Figure 10: Long term plans for the Emthanjeni Municipality  
Source: Emthanjeni local municipality IDP 2012/2013

## 5. Conclusions for Hanover

The circumstances for many people in Hanover are desperate. The lack of employment opportunities due to limited industry shapes a life trajectory with few prospects of breaking the cycle of poverty.

Of particular concern is the boredom and lack of participation of the youth in the town. This void is often filled with risky social behaviour such as alcohol abuse, the ripple effects of which often lead to domestic violence, unwanted pregnancies and little motivation to seek a better life.

This situation is further exacerbated by low levels of education attainment and no access to the internet and thereby access to online courses and scholarships.

The youth population bulge of young people aged between zero and 29 in the Emthanjeni LM – at approximately 57% - also places a heavy burden on the pool of people who do have an income, either through employment or qualification for social grants.

Hanover has three specific areas in which investment can be directed, namely, education, care for children, and strengthening of youth programmes. All three address critical needs in the community and are viable recipients of a socio-economic development programme.